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VOLUME XXI

January	1– 76	July	407–468
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INDEX

NATIONAL MUNICIPAL REVIEW

VOLUME XXI, 1932

AUTHORS

Ahl, Frances N. 264, 400, 704
Alderfer, H. F. 221
Allen, William H. 400
Anderson, William 94
Atkinson, R. C. 484, 595

Bane, Frank 628
Bankson, Paul A. 110
Barclay, Thomas S. 312
Bard, Albert S. 341, 619
Barnes, M. E. 499
Bates, Frank G. 502
Bauer, John 40, 124, 194, 252, 332, 390, 592
Baumes, Harold I. 420
Bennett, Emmett L. 357
Betters, Paul V. 493, 614
Bromage, Arthur W. 176
Buck, Mrs. Halcyon H. 403
Butler, George D. 339
Buttenheim, Harold S. 83, 618
Byrne, Laurence P. 560

Childs, Richard S. 349
Clement, Ina 521
Coleman, James K. 264
Comey, Arthur C. 298
Cornick, Philip H. 477
Corson, John J., III 620
Cottrell, Edwin A. 12, 668

Dow, E. F. 49

Egger, Rowland A. 44, 128, 198, 256, 335, 394, 577, 614
Eibling, Elbert 49, 339, 581

Fairlie, John A. 519
Faust, Martin L. 207
Fitton, Cyrus J. 650
Forbes, Russell 659
Frazer, Spaulding 118
Freeman, Harry H. 267
Fuller, Ambrose 402

Gates, Alfred 263
Giering, Mrs. F. J. 265
Goldthwaite, George E. 427
Graham, George A. 343

Haber, Ferdinand I. 658
Hall, Albert H. 48
Hallett, George H., Jr. 132, 376, 442, 569, 606, 650, 698
Hammer, Conrad H. 515
Hare, W. Loftus 553
Harris, J. E. 464
Harris, Joseph P. 301
Harris, W. D. 135
Herbert, Carl P. 401, 589, 679
Hilldrup, R. L. 405
Hoan, Daniel W. 88
Hodges, Henry G. 545
Hostetter, Gordon L. 637
Huber, Frederick R. 422

Jones, Harold E. 157
Jones, Howard P. 5, 81, 133, 143, 145, 213, 623, 627, 287, 347, 411, 469, 525, 587, 663, 704
Jones, J. Catron 467

Kaplan, H. Eliot 404
Kehrli, Herman 644

Landis, Benson Y. 305
Leet, Glen 218
Leffler, George L. 203
Lovett, W. P. 462, 581, 659
Lynagh, Paula 152, 463, 464

MacMillin, Frederick N. 205, 263, 601
McGoldrick, Joseph D. 47, 168, 289, 413, 634, 671
McKinley, Charles 354
McLaughlin, John 218
Manning, J. W. 510
Manny, Theodore B. 481
Martin, Edward M. 202
Matscheck, Walter 342
Maxey, Chester C. 229
May, Samuel C. 704
Millard, Walter J. 700
Miller, H. J. 7
Mosher, William E. 51

Munro, William B. 161
Murphy, Lionel V. 203, 582

Oliphant, J. Orin 340

Pate, James E. 424
Paxton, Edward D. 582
Pfiffner, John M. 107
Polah, Sophie 51
Porter, Charles H. 400
Porter, Kirk H. 489

Reed, Thomas H. 584
Reeder, Sherwood L. 260
Ridley, Clarence E. 26
Rightor, C. E. 364, 682
Roche, George S. 406
Rogers, Stanley 416

Schieffelin, Wm. Jay.................... 293
Sears, Horace H. 660
Seasongood, Murray 648
Senning, John P. 564
Shanks, Sanders, Jr. 148
Sharpe, C. F. 205, 206
Sheppard, Virgil 641
Sherman, Roy V. 132
Short, Lloyd M. 20
Skelhorne, Hazel M. 130, 256
Smith, Darrell H. 397, 461
Smith, Milton V. 137
Spicer, George W. 550
Stewart, Frank M. 434
Stone, Donald C. 226

Tooke, C. W. 34, 118, 188, 246, 326, 385, 455
Trull, Edna 32, 116, 186, 244, 324, 383, 452, 575, 612, 656, 701
Tucker, Robert H. 505

Vincel, Kenneth P. 136, 465

Wager, Paul W. 473
Wallerstein, Morton L. 557
Weller, W. Earl 215
Wells, Roger H. 598
Wetherhill, Samuel P., Jr. 296
White, Edward 195
Williams, Edward A. 232
Wright, Howell 50

Zoercher, Philip 309

TITLES AND SUBJECTS

Administration:(see also State Government)
  Administrative Code Approved by Maine Voters 49
  Administrative Reorganization in the Federal Government 209
  Constructive Proposals for Local Government Reorganization in New York 211

Airports:
  Municipal Airports—Liability for Negligence in Operation 330

Apportionment:
  Congressional and Legislative Redistricting in Washington 340
  People v. Empty Acres: A Problem in Rural Government 477
Appraising Municipal Reports 26
Armidale, New South Wales 444

Asheville, North Carolina:
  Extensive Improvements in Asheville Police Department 621

Ashtabula, Ohio:
  P. R. and the Manager Plan in Ashtabula 700

Assessments: (see also Finance—Taxation)
  Boston Agitates for Reassessment of Real Estate 132
  Cincinnati's Land Assessment Cut Ten Per Cent by the State Tax Commission 205
  Irregular Annexations.—De Facto Status—Attack by Taxpayer on Validity of Annexation Proceedings 249
  Milwaukee's New Condemnation and Benefit Assessment Law 464
Atlantic City (N. J.) Reduces Taxes .. 462

Austin, Texas:
  Austin in Sound Financial Shape 345
  Austin's Happy Situation under Manager Government 137

Australia:
  Australian Election Contrasts 571
  P. R. to the Fore in South Australia .. 571

- **Austria:**
  - Austrian Cities in the Financial Crisis . 336
  - Hospital Supervision in Europe 396
- **Baltimore, Maryland:**
  - Baltimore Commission on Governmental Efficiency and Economy 397
  - Baltimore's Municipal Department of Music 422
- **Belgium:**
  - Hospital Supervision in Europe 396
  - Training of Belgian Local Officials .. 44
- **Billboards:**
  - Another Good Billboard Decision 341
  - Billboard Regulation.—Exclusion of Tobacco Advertisements Upheld—Screening of Ordinary Billboards on Private Property by Public Authorities Declared Unlawful 329
  - Mid-Hudson Bridge Billboard Case Reversed 619
- Bonded Debt of 289 Cities as at January 1, 1932 364
- Boston (Mass.) Agitates for Reassessment of Real Estate 132
- Calgary (Canada) Makes Unique Use of Preferential Ballot 444
- **California:**
  - California Defeats P. R. Amendments. 698
  - California Taxpayers' Association .. 398
  - California Voting on P. R. Amendments 606
  - Trial by Courts or Commission? 409
  - What Municipal Home Rule Means Today—
    - I. California Since 1916 12
- **Centralizing Purchasing:**
  - New York Cities Organize Purchasing Service 48
  - Savings Through Centralized Purchasing for the State of Maine 659
- **Charters:**
  - Adoption of Legislative Charters—Approval of Electors as Prerequisite to their Operation 39
  - Manager Charter Defeated in Mendocino County 704
  - New Charter Proposed for Nassau County, N. Y. 658
  - P. R. Charter for New York City? . 606
  - Reno Considers a Model Charter .. 607
  - San Mateo County's Proposed Charter 543
- **Chicago:**
  - Chicago Unraveling Fiscal Snarl 261
  - Conviction of Chicago Sanitary District Officials 202
  - Vacant Land in Suburban Areas 211
- **Cincinnati:**
  - Cincinnati Retirement System 206
  - Cincinnati's Land Assessments Cut Ten Per Cent by the State Tax Commission 205
  - Cincinnati's New Waste Collection and Disposal System Saves $100,000 per Year 48
  - P. R. and Good Government in Cincinnati 445
- **City Managers and City Manager Government:**
  - Austin's Happy Situation under Manager Government 137
  - City Manager Plan is Suitable for New York 293
  - Is the City Manager Plan Suitable for New York? 289
  - Lexington's Experience with a City Manager 467
  - Manager for New York City 284
  - Modern Government in a Colonial City 424
  - New York City 700
  - New York Organizations Endorse P. R. and the Manager Plan 378
  - P. R. and the Manager Plan in Ashtabula 700
  - Saving the City Manager Plan at Saranac Lake 403
  - Two Rivers (Wis.) Retains Manager Form 468
  - What to Expect of Political Reform .. 349
- **City Planning:**
  - Building of New York 298
  - Control of Subdivisions—City Planning—Conditions Imposed upon Recording of Subdivision Maps 35
  - Lessons from English Experience with Garden Cities 553
  - Obstacles to Effective City Planning .. 346
  - Protecting Mapped Streets—The City Plan—Attempt to Control Projected Streets by Exercise of the Police Power 191

Reclamation of the Lower East Side . 408
Special Assessments and City Planning 110

Civil Service: (see also Officers)
Cincinnati Retirement System 206
Extent, Costs and Significance of Public Employment in the United States 51
Health Regulations Not a Home Rule Function.—Home Rule and Civil Service—Health Officers in Ohio Held to be Performing a State and Not a Municipal Function 121
North Carolina's New Department of Personnel 135
Political Veto of New York Civil Service Bill 285
Power to Reduce Salaries.—Reduction of Salaries of Officers and Employees—Effective Control of Boards of Finance 246
Probst Rating System 582
Reclassification of the New York State Service 404
St. Paul's Fair Wage System 589
St. Paul's Salary Index Suspended as Prices Fall 80
Statutory Regulations of Wages of Employees on Public Works 456
Two Counties Adopt Modern Personnel Systems 586
University Training of Municipal Officials in France 256

Cleveland:
Cleveland Returns to Mayor and Council Government 1
Cleveland's Mayoralty Election 138
Cleveland's New Mayor 260
Cleveland Voters Veto Municipal Light Bonds 50
Miller Elected Mayor of Cleveland .. 208
Comparative Tax Rates of 277 Cities, 1932 682
Constitutional Barriers to Improvement in County Government 525

Contracts:
Conditional Sales and Debt Restrictions.—Purchase of Utility Equipment—Conditional Sales Contracts . 37
Contractor's Bonds.—Liability of Surety to Laborers and Materialmen . 122
Contracts—Letting to Lowest Responsible Bidder—Not Required in Absence of Statute 460
Engineers' and Architects' Services—Recovery for Services Rendered Without a Valid Contract 387
Municipal Contracts.—Minimum Wage Scale—City Has No Power to Prescribe Unless Expressly Authorized by Statute 327
Prevailing Rates of Wages.—Limitations upon the Power of Municipalities to Contract—Illinois Law Requiring Public Contractors to Pay the Prevailing Rate of Wages Held Valid 189
Recovery on Contractors' Bonds—Recovery of Laborers and Materialmen on Public Bonds 39
Unemployment Relief.—Preference to Residents in Municipal Contracts . 326

County Government and Consolidation:
Bibliography on County Government 521
Constitutional Barriers to Improvement in County Government 525
County Consolidation in Germany .. 598
County Consolidation Talk in Oklahoma 582
County Government and State Centralization 489
County's Place in Large Urban Areas . 484
County Taxes Lowered in North Carolina 134
Financing Governmental Services in Rural Areas 473
Functional Realignment vs. County Consolidation 515
Indiana Township—An Anachronism . 502
League's Committee on County Government 519
Michigan Appraises Local Rural Government 341
North Carolina Centralizes 493
People v. Empty Acres: A Problem in Rural Government 477
Planning for Improved County Government in Virginia 505
Progress of County Consolidation 510
Rural Areas for Rural Government .. 481
Separate County Project for Los Angeles City is Opposed 704
State Assumes County Roads in Virginia 620

State Assumption of County Roads in Virginia 405
The County, the Logical Public Health Unit 499
Two Counties Adopt Modern Personnel Systems 586
Unrest in County Government 469
Unrest in County Government in Virginia 133

County Manager Government:
San Mateo County Adopts Manager Plan 668
San Mateo County's Proposed Charter 543

Courts:
Bi-partisan Judiciary Deal in Brooklyn 47
Success of Detroit's Jury Panel System 581
Trial by Courts or Commission? .. 409

Crime and Criminal Law:
Racketeering—an Alliance Between Politics and Crime 637

Dallas, Texas:
National Municipal League Charged with Traitorous Propaganda to Install Imperialistic Government ... 140

Detroit:
Permanent Registration Saves Money for Detroit 659
Retrenchment in Detroit 283
Success of Detroit's Jury Panel System 581

Education:
Civic Education by Radio 584
Independent Powers of School Boards Curbed in Wisconsin.—The School District as a Department of the City Government 36
Libraries Packed as Depression Continues! 626
Reducing Public School Costs 7

Elections and Voting:
Australian Election Contrasts 571
Cleveland's Mayoralty Election 138
Disputed Voting Machines Approved in Pennsylvania 49
Local Elections in New Zealand 572
Other Private Elections Here and Abroad 443
Party Control and Election Costs in Ohio 595
Permanent Registration Saves Money for Detroit 659
Results of Milwaukee Election 463
Seattle Gayly Elects a Mayor 301
Voting Machines in Pennsylvania 265
Voting Machines Opposed as Enemies of P. R. 400

Eminent Domain:
Eminent Domain.—Condemnation of Land for Markets Conveys the Entire Fee 249
Eminent Domain.—Federal Government May Condemn Municipal Property 386
Eminent Domain.—Street Widening—Measure of Damages to Owners for Lands Expropriated 459
Extraterritorial Land Condemnation.—Eminent Domain—Condemnation of Extra-Mural Lands for Colored Bathing Beach Upheld 36
Extent, Costs and Significance of Public Employment in the United States .. 51

Excess Condemnation:
Excess Condemnation in Ohio.—Limited in Ohio to the Amount Actually Necessary to Carry Out the Improvement 250
Excessive Cost of Land Condemnation 210
Milwaukee's New Condemnation and Benefit Assessment Law 464

Federal Government:
Administrative Reorganization in the Federal Government 209
Controversy over Federal Unemployment Relief 305
The President's Opportunity 663
Twenty-six Mayors Meet to Ask Federal Aid 462

Finance—General:
Austin in Sound Financial Shape 345
Chicago Unraveling Fiscal Snarl 261
Cincinnati's New Waste Collection and Disposal System Saves $100,000 per Year 48
Crisis in German Municipal Finance .. 614
Depression in German Cities 545
Establishes Consulting Office on Public Finance 583
Financial and Administrative Reform

Bills before New Jersey Legislature 343
Financing Governmental Services in Rural Areas 473
Home Rule and Municipal Credit 544
How American Cities are Retrenching in Time of Depression 267
Louisville Property Owners Association Recommends Expenditure Decrease 136
Milwaukee Financially Sound and Content 88
Milwaukee's Enviable Financial Condition 78
Milwaukee's Famous Surplus 140
New Jersey Proposal to Pool Municipal Credit 266
North Carolina Saves on Audits 543
Oregon Flirts with the Indiana Plan 354
Public School Finance in South Carolina 264
Reducing Public School Costs 7
Retrenchment in Detroit 283
Retrenchment in Missouri 207
Rochester's Municipal Credit Plan .. 263
State Control over Municipal Finance 457
Storm Warnings in New York City's Finances 168
Surplus that Made Milwaukee Famous 152
What Local Officials Think of State Financial Control 557
Wisconsin Protects Public Bank Deposits 205

Finance—Bonds and Debts:
Annexations and Debts.—Refunding Bonds—Not Subject to Referendum 121
Bonded Debt of 289 Cities as at January 1, 1932 364
Cleveland Voters Veto Municipal Light Bonds 50
Good By-product of a Nervous Municipal Bond Market 139
Indebtedness.—Apportionment upon Division of School District 192
Invalid Debts.—Indebtedness—Effect of Recitals in Bonds Issued without Proper Authority 247
Mayor Coxey's Plan for a Municipal Currency 132
Municipal Bond Market—Past, Present and Future 148
St. Paul Remade by Long-Term Planning 679
St. Paul's City Bank 401
Spurious Municipal Bonds 660

Finance—Budget:
Citizen Criticism of New York City Budget 400
Fiscal Control.—County Budget Commissions—Review of the Florida Statute of 1931 248
Los Angeles Bureau of Budget and Efficiency 107
Louisville Property Owners Association Recommends Expenditure Decrease 136

Finance—Taxation: (see also Assessments)
Atlantic City Reduces Taxes 462
Cincinnati's Land Assessment Cut Ten Per Cent by the State Tax Commission 205
Control over Municipal Finance.—The Indiana System—The California Plan 328
County Taxes Lowered in North Carolina 134
Deflating Government 79
Electricity Sales Tax 284
Glendale's (Calif.) Public Utility Tax for Unemployment Relief 264
Has the Indiana Plan been a Success? 101
Have Wisconsin Taxes Choked Progress? 203
Indiana Adopts a Tax Limit Law .. 641
Indianapolis News Wins Pulitzer Award for Tax Reduction Campaign 463
Irregular Annexations.—De Facto Status—Attack by Taxpayer on Validity of Annexation Proceedings 249
Milwaukee's Finances after the Mayoralty Election 463
Missouri State Survey Commission .. 20
Portsmouth's (Va.) Tax Installment Plan 420
Real Estate Boards Survey Local Finances 142
Regarding the Indiana Tax Plan—a Reply to "Observer" 309
Special Taxes for Local Unemployment Relief in Wisconsin 263
Taxation of Public Property by Municipalities—Express Statutory Authority Required 388
Tax Burden Lightens (Comparative Tax Rates of 277 Cities, 1932) 682

Tax Burden Lightens (Editorial) 664
Thoughts on Tax Delinquency 215
What About the Indiana Tax Plan? .. 3

France:
French Communal Credit Fund 616
French Congress of Mayors 395
Hospital Supervision in Europe 396
Personnel Expenditures in Europe .. 337
University Training of Municipal Officials in France 256

Germany:
Another Reichstag Election 699
County Consolidation in Germany .. 598
Crisis in German Municipal Finance .. 614
Depression in German Cities 545
Hospital Supervision in Europe 396
Inter-Governmental Unions in Hesse . 394
P. R. Saves Germany from Extremist Control 569
Personnel Expenditures in Europe .. 337
Glendale's (Calif.) Public Utility Tax for Unemployment Relief 264

Great Britain:
Correction from Whitehall 131
Lessons from English Experience with Garden Cities 553
London Congress and After 577
Personnel Expenditures in Europe .. 337
Technician in English Administration . 128
Trolley Buses in Nottingham 335

Greece:
P. R. to Return in Greece 378

Hamilton City and County, Ohio:
P. R. in a Small City 650
P. R. in Hamilton 132
Two Counties Adopt Modern Personnel Systems 586

Hanover, N. H.:
Zoning a New Hampshire Village 137

Health:
Cutting Costs of Public Health 625
Health Regulations not a Home Rule Function—Home Rule and Civil Service—Health Officers in Ohio Held to be Performing a State and Not a Municipal Function 121
Hospital Supervision in Europe 396
The County, the Logical Public Health Unit 499

Home Rule:
Chicago's Forest Preserve—Title to Real Property Purchased Without . 251
Home Rule and Municipal Credit .. 544
Home Rule—Doctrine of the Inherent Right to Local Self-Government .. 460
Home Rule Powers.—Conflict with General Statutes of the State—California City Denied Power to Establish an Independent Pension System 249
Kansas City Wins Police Home Rule . 342
Redistricting City Wards—Exercise of Discretion by the Local Legislative Body will not be Disturbed by the Courts 389
Sunday Baseball—Baltimore Wins Exception from General Statutory Restrictions 458
Rural Areas for Rural Government .. 481
What Municipal Home Rule Means Today
  I. California Since 1916 12
  II. Minnesota: A Reappraisal 94
  III. Michigan 176
  IV. Washington—Little Home Rule by Constitutional Grant 229
  V. Missouri 312
  VI. Ohio—Local Self Government with Exceptions 357
  VII. Texas After Twenty Years .. 434
  VIII. Nebraska's Three Home Rule Charters 564
  IX. Wisconsin 601
  X. New York 671

Housing:
President's Housing Conference—and Later 83
How American Cities are Retrenching in Time of Depression 267

Indiana:
Has the Indiana Plan been a Success? 101
Indiana Adopts a Tax Limit Law .. 641
Regarding the Indiana Tax Plan—a Reply to "Observer" 309
The Indiana Township—An Anachronism 502
International Association of Comptrollers and Accounting Officers 399
International Congress of Cities, American Delegation to 262

Irish Free State:
Local Government in the Irish Free State 560

Italy:
Local Government in Italy 198
Personnel Expenditures in Europe .. 337

Japan:
P. R. an Issue in Japan 444

Jugoslavia:
Trade Unionism of Officials in Jugoslavia 130

Kansas City, Missouri:
Kansas City Citizen's League 378
Kansas City Ordinance for Purchase of Street Railways 195
Kansas City Wins Police Home Rule 342
Questions Regarding Kansas City Street Railway Purchase 353

Leagues of Municipalities:
New Jersey League of Municipalities . 582
New League of Municipalities (Mass.) 660

Los Angeles:
Attempted Recall of the Mayor of Los Angeles 416
Los Angeles Bureau of Budget and Efficiency 107
Los Angeles Mayor Survives Recall .. 400
Separate County Project for Los Angeles is Opposed 704

Louisville, Kentucky:
Louisville Property Owners Association Recommends Expenditure Decrease 136
Louisville's New Form of Government 465

Maine:
Administrative Code Approved by Maine Voters 49
Savings Through Centralized Purchasing for the State of Maine 659
Lexington's (Ky.) Experience with a City Manager 467

Malta:
P. R. a Success in Malta 571

Massachusetts:
Municipal and Private Ownership in Massachusetts 194
New League of Municipalities 660

Massilon, Ohio:
Mayor Coxey's Plan for a Municipal Currency 132

Mayors:
Attempted Recall of the Mayor of Los Angeles 416
Cleveland's New Mayor 260
Conviction of Pittsburgh Mayor 581
French Congress of Mayors 395
Jimmy Walker Resigns 585
Los Angeles Mayor Survives Recall 400
Mayor Coxey's Plan for a Municipal Currency 132
Mayor "General" Coxey 208
Mayor Walker Takes the Stand 413
Miller Elected Mayor of Cleveland . 208
Milwaukee Mayor's Advisory Council 464
Seattle Gayly Elects a Mayor 301
Trial of Pittsburgh Mayor Makes Slow Progress 339
Twenty-six Mayors Meet to Ask Federal Aid 462

Mendocino County, California:
Manager Charter Defeated in Mendocino County 704

Metropolitan Government:
Philadelphia Tri-State Plan 296
Population Estimates for the New York Region 345

Michigan:
Michigan Amendment 442
Michigan Appraises Local Rural Government 341
Michigan Begins Survey of Local Government 49
Michigan Democrats Launch P. R. Campaign 377
What Municipal Home Rule Means Today—III. Michigan 176

Milwaukee, Wisconsin:
Milwaukee Financially Sound and Contented 88
Milwaukee Mayor's Advisory Council 464
Milwaukee's Enviable Financial Condition 78
Milwaukee's Famous Surplus 140
Milwaukee's Finances after the Mayoralty Election 463
Milwaukee's New Condemnation and Benefit Assessment Law 464
Results of Milwaukee Election 463
Surplus that Made Milwaukee Famous 152

Minnesota:
Dissolution of Townships in Minnesota 402

What Municipal Home Rule Means Today—II. Minnesota: A Reappraisal ... 94

Missouri:
- Functional Realignment vs. County Consolidation ... 515
- Missouri State Survey Commission .. 20
- Retrenchment in Missouri ... 207
- What Municipal Home Rule Means Today—V. Missouri ... 312

Music:
- Baltimore's Municipal Department of Music ... 422

Nassau County, New York:
- New Charter Proposed for Nassau County, N. Y. ... 658

National Municipal League:
- Constructive Economy (Committee on Constructive Economy in Government) ... 664
- Economy: Progress or Decay? ... 623
- League Forges Ahead Despite Depression ... 648
- League's Committee on County Government ... 519
- Municipal Government in the Nation's Service ... 140
- N. M. L. Charged with Traitorous Propaganda to Install Imperialistic Government ... 140
- Reno Considers a Model Charter ... 607

Nebraska:
- What Municipal Home Rule Means Today—VIII. Nebraska's Three Home Rule Charters ... 564

New Hampshire:
- "Management" in New Hampshire .. 197
- Zoning a New Hampshire Village ... 137

New Jersey:
- Financial and Administrative Reform Bills before New Jersey Legislature ... 343
- New Jersey League of Municipalities 582
- New Jersey Proposal to Pool Municipal Credit ... 266
- New Jersey Ripper Bills—a review of the decision of the Court of Errors and Appeals ... 118

New York City:
- Bi-partisan Judiciary Deal in Brooklyn 47
- Building of New York ... 298
- Citizen Criticism of New York City Budget ... 400
- City Manager Plan is Suitable for New York ... 293
- Excessive Cost of Land Condemnation 210
- Is the City Manager Plan Suitable for New York? ... 289
- Jimmy Walker Resigns ... 585
- League of Women Voters ... 443
- Manager for New York City ... 284
- New York City ... 700
- New York Organizations Endorse P. R. and the Manager Plan ... 378
- New York to have New Building Code 208
- Political Veto of New York Civil Service Bill ... 285
- P. R. Charter for New York City? .. 606
- Reclamation of the Lower East Side 408
- Storm Warnings in New York City's Finances ... 168
- Tammany Totters but Triumphs ... 634
- The Seabury Revue of 1932 ... 145

New York State:
- Constructive Proposals for Local Government Reorganization in New York ... 211
- Mid-Hudson Bridge Billboard Case Reversed ... 619
- New York Cities Organize Purchasing Service ... 48
- Political Veto of New York Civil Service Bill ... 285
- Reclassification of the New York State Service ... 404
- What Municipal Home Rule Means Today—X. New York ... 671

New Zealand:
- Local Elections in New Zealand ... 572

Norfolk's (Va.) Municipal Prison Farm 218

North Carolina:
- County Taxes Lowered in North Carolina ... 134
- North Carolina Centralizes ... 493
- North Carolina Saves on Audits ... 543
- North Carolina's New Department of Personnel ... 135

Norwich (Vt.) Bureau of Municipal Affairs ... 399

Officers: (see also Civil Service)
- Bi-partisan Judiciary Deal in Brooklyn ... 47

- Conviction of Chicago Sanitary District Officials 202
- Crain Removal Case and the Statistical Charts 232
- Executive Control of Independent Officials in Washington 466
- Jimmy Walker Resigns 585
- New Jersey Ripper Bills—a review of the decision of the Court of Errors and Appeals 118
- Trial of Pittsburgh Mayor Makes Slow Progress 339
- Pittsburgh Indicts Treasury Officials .. 49

Ohio:
- League of Women Voters 443
- Ohio Institute 398
- Party Control and Election Costs in Ohio 595
- What Municipal Home Rule Means Today—VI. Ohio—Local Self Government with Exceptions 357

Oklahoma:
- Alfalfa Bill Murray's Initiative Program Defeated in Oklahoma 203
- County Consolidation Talk in Oklahoma 582
- Oregon Flirts with the Indiana Plan . 354

Pasadena (Cal.) Uses the Recall 161

Penal Ordinances:
- Suspension of Penal Ordinances—During Litigation—Penal Ordinances—Suspension of Operation Pending Judicial Determination of Validity . 38

Pennsylvania:
- Disputed Voting Machines Approved in Pennsylvania 49
- League of Women Voters 443
- Pennsylvania Campaign Continues .. 377
- Pennsylvania Public Service Commission Adopts Conference Method for Lowering Rates 401
- Political Science Association of Pennsylvania 468
- Voting Machines in Pennsylvania 265

Philadelphia:
- "Managing" Philadelphia Rapid Transit 252
- Philadelphia Tri-State Plan 296
- Thomas Skelton Harrison Foundation 398,461

Pittsburgh:
- Conviction of Pittsburgh Mayor 581
- Pittsburgh Indicts Treasury Officials 49
- Trial of Pittsburgh Mayor Makes Slow Progress 339

Police:
- Extensive Improvements in Asheville Police Department 621
- Kansas City Wins Police Home Rule 342
- Northwestern University Conference on Police Problems and Methods .. 266

Police Power:
- Disposition of Cases Earlier Noted—Police Power—Disposition and Review of Cases before the Supreme Court of the United States 34
- Funeral Homes and Restricted Districts.—Police Power—Exclusion of Mortuaries from Restricted Districts 34
- Near-Beer Ordinances.—Licensing the Manufacture and Sale of Soft Drinks 192
- Police Power.—Estoppel of City to Revoke Permit Issued under a Mistake of Fact 251
- Private Highways.—Regulation of Private Roads by Municipal Ordinance 192
- Protecting Mapped Streets.—The City Plan—Attempt to Control Projected Streets by Exercise of the Police Power 191
- Summary Powers of Police and Fire Officers. — Police Power — Arbitrary Closing of Private Business by Officers of the Police or Fire Departments 388

Portland (Ore.) Considers a Service-at-Cost Traction Franchise 644

Portsmouth's (Va.) Tax Installment Plan 420

Powers:
- Expansion of Doctrine of Implied Powers.—Power of the City of New York to Construct Bridges and Tunnels to be Financed by Bond Issues Includes Power to Charge Tolls ... 123
- Implied Powers.—Building Regulations —Control over Installation and Operation of Private Heating Systems 121
- Municipal Ownership — Incidental Power to Sell Surplus Water to Citizens of Another State 192

Municipal Powers—Extent of Power of Municipalities to Contribute to Private Associations Organized to Promote Public Welfare 455
Strict Construction of Borrowing Powers.—Implied Powers—Issuance of Negotiable Bonds 36
President's Housing Conference—And Later 83

Prisons:
Norfolk's (Va.) Municipal Prison Farm 218

Proportional Representation:
Another Reichstag Election 699
Annual P. R. Dinner, Washington, September 21 572
Armidale, New South Wales 444
Australian Election Contrasts 571
Calgary Makes Unique Use of Preferential Ballot 444
California Defeats P. R. Amendments 698
California Voting on P. R. Amendments 606
Canadian Province Uses P. R. 608
Kansas City Citizens' League 378
League of Women Voters 443
Michigan Amendment 442
Michigan Democrats Launch P. R. Campaign 377
New York City 700
New York Organizations Endorse P. R. and the Manager Plan 378
Other Private Elections Here and Abroad 443
Pennsylvania Campaign Continues ... 377
P. R. and Good Government in Cincinnati 445
P. R. and the Manager Plan in Ashtabula 700
P. R. an Issue in Japan 444
P. R. a Success in Malta 571
P. R. Charter for New York City? .. 606
P. R. Considered for the League of Nations 570
P. R. in a Small City 650
P. R. in College Elections 443
P. R. in Hamilton (Ohio) 132
P. R. League's Annual Meeting 653
P. R. Saves Germany from Extremist Control 569
P. R. to Return in Greece 378
P. R. to the Fore in South Australia 571
Socialist Party of America 442
Spain, Too, Turns to P. R. 570
Voting Machines Opposed as Enemies of P. R. 400
Wellesley, Mass. 378
What P. R. Is and Where It Is Used 376

Publicity:
Appraising Municipal Reports 26
Indianapolis News Wins Pulitzer Award for Tax Reduction Campaign 463

Public Ownership:
Congressional Investigation of Utility Control 197
Kansas City Ordinance for Purchase of Street Railways 195
Look at Seattle 40
Municipal and Private Ownership in Massachusetts 194
Municipal Ownership and Respect for Private Property 210
Municipal Ownership—Acquisition of Plants and Equipment—Powers and Methods 385
Municipal Ownership. — Incidental Power to Sell Surplus Water to Citizens of Another State 192
Municipal Ownership—Towns in Louisiana Held without Power to Engage in General Public Utility Gas Business 459
Municipal Ownership. — Washington Cities Held to have Implied Power to Sell Surplus Electric Current for Use Outside their Limits 248
Questions Regarding Kansas City Street Railway Purchase 253

Public Utilities—General: (see also Public Ownership)
Ice Business Not a Public Utility.—The Supreme Court Declares Oklahoma Statute Unconstitutional 328
Public Utilities—Rights Upon Expiration of Franchise under the Ohio Statutes 460

Public Utilities—Rates and Regulations:
Bargaining for Utility Rate Reduction 592
Conference on Regulation 332
Minimum Rates.—Public Utilities—Limitations upon the Power of State Commissions to Regulate Rates .. 250

Is Regulation Hopeless? 254
Is Utility Regulation Hopeless? 124
Pennsylvania Public Service Commission Adopts Conference Method for Lowering Rates 401
Reproduction Cost and Falling Price Levels 427
Whittling Away Regulation 390

Public Welfare:
American Association of Public Welfare Officials Joins Chicago Group 399
Controversy over Federal Unemployment Relief 305
Cutting Costs of Public Health 625
Emergency Relief and Construction Act 618
Fate of the Pinchot Relief Program 221
Feeding the Hungry 628
Glendale's (Cal.) Public Utility Tax for Unemployment Relief 264
Special Taxes for Local Unemployment Relief in Wisconsin 263
Twenty-six Mayors Meet to Ask Federal Aid 462

Public Works: (see also Streets and Highways)
Emergency Relief and Construction Act 618
Measuring Public Works Efficiency .. 226
St. Paul Remade by Long-Term Planning 679
Public Works Records and Accounting Manual Available to City Officials 404
Statutory Regulations of Wages of Employees on Public Works 456
Racketeering—An Alliance Between Politics and Crime 637

Radio:
Civic Education by Radio 584

Real Estate:
Boston Agitates for Reassessment of Real Estate 132
Population Estimates for the New York Region 345
Real Estate Boards Survey Local Finances 142
Vacant Land in Suburban Areas 211

Recall:
Attempted Recall of the Mayor of Los Angeles 416
Pasadena Uses the Recall 161

Recreation:
National Recreation Associaton Dissents from Committee Report on Standards of Play and Recreation .. 339
Reno Considers a Model Charter 607
Rochester's Municipal Credit Plan 263

St. Paul, Minnesota:
St. Paul Remade by Long-Term Planning 679
St. Paul's City Bank 401
St. Paul's Fair Wage System 589
St. Paul's Salary Index Suspended as Prices Fall 80

Sanitation:
Cincinnati's New Waste Collection and Disposal System Saves $100,000 per Year 48

San Mateo County, California:
San Mateo County Adopts Manager Plan 668
San Mateo County's Proposed Charter 543

Saranac Lake, New York:
Saving the City Manager Plan at Saranac Lake 403

Scotland:
Hosptal Supervision in Europe 396
Seabury Revue of 1932 145

Seattle, Washington:
Look at Seattle 40
Seattle Gayly Elects a Mayor 301
Shanghai's International Municipal Government 157
Short Ballot Safe in Virginia 550

South Carolina:
Public School Finance in South Carolina 264

Special Assessments:
Special Assessments and City Planning 110
Special Assessments.—Direct Liability of City—Validation of Defective Procedure 330

State Governments: (see also names of individual states)
County Government and State Centralization 489

Financial and Administrative Reform Bills before New Jersey Legislature 343
Michigan Begins Survey of Local Government 49
Missouri State Survey Commission .. 20
North Carolina Centralizes 493

Streets and Highways: (See also Public Works)
Insurance of Drive-It-Yourself Cars. —Regulation of Driverless Cars—The Supreme Court Upholds Ordinance Requiring Auto Renting Corporations to Insure Against Liability of Drivers 120
Power of Legislature over City Streets. —Nature of Highway Improvements —A Municipal or State Function .. 193
The State Assumes County Roads in Virginia 620
Streets as Playgrounds.—Liability of the City for Temporary Closing to Protect School Children 191

Supplements to National Municipal Review, 1932:
Extent, Costs and Significance of Public Employment in the United States (January) 51
How American Cities are Retrenching in Time of Depression (April) .. 267
Constitutional Barriers to Improvement in County Government (August) 525

Thomas Skelton Harrison Foundation 398, 461

Texas:
Texas Joint Legislative Committee on Organization and Economy 266
What Municipal Home Rule Means Today—VII. Texas After Twenty Years 434

Torts
Liability in Tort.—Torts—Liability of City for Acts of Police Officers—Construction of Statutory Bond .. 188
Negligent Operation of Vehicles.—Torts —Statutory Liability for Injury by Municipally Owned Vehicles on Public Highways 388

Transit:
"Managing" Philadelphia Rapid Transit 252
Portland Considers a Service-at-Cost Traction Franchise 644
Trolley Buses in Nottingham 335
Two Rivers (Wis.) Retains Manager Form 468

United States:
Extent, Costs and Significance of Public Employment in the United States 51

Virginia:
Planning for Improved County Government in Virginia 505
Short Ballot Safe in Virginia 550
State Assumption of County Roads in Virginia 405
The State Assumes County Roads in Virginia 620
Unrest in County Government in Virginia 133

Washington:
Congressional and Legislative Redistricting in Washington 340
Executive Control of Independent Officials in Washington 466
What Municipal Home Rule Means Today — IV. Washington — Little Home Rule by Constitutional Grant 229

Westchester County, New York:
Two Counites Adopt Modern Personnel System 586

West Virginia:
Bureau for Government Research of West Virginia University 461

Williamsburg, Virginia:
Modern Government in a Colonial City 424

Wisconsin:
Have Wisconsin Taxes Choked Progress? 203
Special Taxes for Local Unemployment Relief in Wisconsin 263
Wisconsin Protects Public Bank Deposits 205
What Municipal Home Rule Means Today—IX. Wisconsin 601

Zoning:
Lapse of Right to Non-Conforming Use.—Zoning—Loss of Right to Non-Conforming Use 35
Zoning a New Hampshire Village 137
Zoning in New Jersey.—Enforcement of Ordinance by Injunction—Replacement of Old Buildings 331
Zoning.—Principles of Comprehensive Zoning not yet Accepted in Texas . . 247
Zoning Variances.—Requirement of Notice to Interested Parties 190

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CONTENTS FOR JANUARY

Editorial Comment . . . . *H. W. Dodds* 1
Headlines . . . . *Howard P. Jones* 5
Reducing Public School Costs . . . . *H. J. Miller* 7
What Municipal Home Rule Means Today
I. California Since 1916 . . . . *Edwin A. Cottrell* 12
The Missouri State Survey Commission . . . . *Lloyd M. Short* 20
Appraising Municipal Reports . . . . *Clarence E. Ridley* 26
Extent, Costs and Significance of Public Employment in the United States—A Supplement
William E. Mosher and Sophie Polah 51
Index for 1931 to National Municipal Review—A Supplement

DEPARTMENTS

I. Recent Books Reviewed 30
II. Judicial Decisions . . . . *Edited by C. W. Tooke* 34
III. Public Utilities . . . . *Edited by John Bauer* 40
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 44
V. Notes and Events . . . . *Edited by H. W. Dodds* 47

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THE LEAGUE'S BUSINESS

1932 Convention in Washington, D. C.—Invitations for the 1932 convention have been submitted by Atlantic City, Indianapolis, Rochester, Baltimore and Washington, D. C. The Executive Committee, at its meeting on the evening of December 4, voted to accept the invitation from Washington as extended by Miss Harlean James, secretary of the American Civic Association. The convention will therefore be held in Washington probably during the last week in September, the exact time and place to be decided later in consultation with the various sponsoring groups.

Meeting at the same time and place will be the American Civic Association, the American Society of Landscape Architects, the American Institute of Park Executives and probably also the National Conference on City Planning. The Governmental Research Association will probably meet in 1932 with the International City Managers' Association. But the other groups hitherto combining forces in the National Conference on Government will meet at Washington next year. In addition, then, to the new groups listed above, the conference will be the annual meeting of the National Municipal League, American Legislators' Association, the National Association of Civic Secretaries and the Proportional Representation League.

It is planned to have a separate program for the National Municipal League, and to hold a few joint sessions with the other organizations. Louis Brownlow, first vice-president of the League and director of the Public Administration Clearing House, has consented to serve as chairman of our program committee which insures a program of unusual merit. Further details will be announced on this page in a later issue.

*

Progress on New Edition of Model City Charter.—The Committee on New Municipal Program held a meeting in Buffalo on November 8 and considered the manuscript for a proposed new edition of the *Model City Charter*. At that meeting it was decided that the task could not satisfactorily be completed without a long and intensive meeting of several days' duration, in a place free from convention distractions. Richard S. Childs, chairman of the committee, has called a meeting at the Princeton Inn, Princeton, N. J., for January 15, 16 and 17. The International City Managers' Association has appointed five of its leading members to meet with our committee to insure that the new edition of the *Model City Charter* is in line with the best modern practice of city management.

*

Committee on Model Special Assessment Law.—At the present time there is considerable need for legislative recommendations on the subject of special assessments. The Investment Bankers' Association of America has recently prepared a report on the subject and has suggested that the National Municipal League use the report as a basis in formulating a recommended model state law for application to local government. The Chamber of Commerce of the United States has likewise in preparation a committee report on the subject of special assessments which the Chamber is willing to make available for use by the National Municipal League. The Executive Committee has authorized Murray Seasongood, president, to appoint a committee for the purpose. Carl H. Pforzheimer, treasurer, has agreed to serve as chairman and C. E. Rightor, of the Detroit Bureau of Governmental Research, will be the committee secretary. The complete personnel will be announced later.

Russell Forbes, *Secretary.*

Editorial Comment
January

NATIONAL MUNICIPAL REVIEW

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Cleveland Returns to Mayor and Council Government The Cleveland city manager-proportional representation charter was repealed on November 3 by a vote of 61,448 to 51,831. The total registration of voters in the city numbered 248,788. Less than half of these eligibles cast a ballot on the charter question; and less than one-fourth brought about the overthrow of the manager system. The proposal for repeal was backed by the Democratic party in Cleveland, and the last election was a field day for Democrats everywhere.

The adoption of manager government in 1921 (effective in 1924) by a city the size of Cleveland was a feather in the cap of the friends of the manager system. That its abandonment after eight years' experience was a blow to the plan's prestige throughout the United States must be admitted.

Was the blow deserved? Does the 9,000 majority in favor of a return to the mayor-council form signify that the manager plan failed? Some are saying that it does.

Cleveland voters, or a part of them, decided in a perfectly legal manner that they did not want manager government to continue. But what civic leaders in other cities will want to know is what were the facts and motives behind the adverse verdict. What percentage of the voters who helped to record this verdict were out of sympathy with the ideals of manager government, preferring rather the free and easy politics of earlier years? To what extent were the people misled by surface incidents or depression psychology which prevented an independent judgment on the record of manager government? What does the cold evidence show as to this record? Emotion aside, was the new system an improvement or not?

These are some of the questions which manager advocates and their honest opponents alike should put to themselves. Not often can Americans study the operation of local government in as good an experimental laboratory as Cleveland has been for the past eight years; and we should not fail to take advantage of the opportunity.

A careful survey of Cleveland's record during this period establishes several significant facts.

First, manager government, introduced under conditions far short of ideal, did give better results than the old mayor form. Moreover, its effectiveness seems to have been increasing each year. Two careful reports by the Citizens' League covering the first seven years fully substantiate this viewpoint. The city tax rate fell while school and county tax rates rose. The city's increase in tax receipts, due largely to increase in valuation, was only 2.8 per cent between 1924 and 1930, while that of the other taxing units combined was 19.9 per cent. Unit street paving costs were reduced from $6.24 to $4.67. Waste disposal costs were decreased. City hospital costs were lowered without effect upon quality of service. The police and fire divisions were brought to a high degree of efficiency. The approval in 1930 of a five-year improvement program by the voters of the city can be interpreted only as a vote of confidence in the municipal government. In his final report to the council, Manager D. E. Morgan declared:

> I do not hesitate to say that never in the same period of time in this city has anything like the amount of progress been made as has been made within the life of the authority of this city council.

Removed from its context this claim might seem extravagant, but considered in the light of the supporting data in the manager's farewell address, it appears not only possible but probable.

Second, while more responsive and efficient, the new form had not yet freed itself entirely from the encumbrances of old-fashioned politics. The council was, with outstanding exceptions, politically subservient (the majority of the first council did not want to see the charter succeed); and the administration was not non-political. Of this close students were fully aware but confidently believed that the system was cleansing itself of old, inherited infections. The Citizens' League, while uniformly critical of councilmanic weaknesses, observed steady improvement in council's personnel and accomplishments. At no time, it states, was the manager plan given a fair trial.

Third, November found the voters in a resentful mood, disposed to vote against any existing order. The business depression enabled a political organization to accomplish something which had been attempted unsuccessfully on three previous occasions.

Fourth, the manager-proportional representation charter throughout its whole life lacked the support of an active charter organization such as has distinguished Cincinnati politics in recent years. True, the Citizens' League pointed out glaring defects in the amendment to restore the mayor-council form, and urged the retention of the manager system. The Women's City Club was intelligently helpful, the League of Women Voters was active as in past defense campaigns, and the Citizens' Committee of 1929 was reorganized to some extent although it did not function on the scale of two years ago. But no independent group appeared at any time to threaten the machine control of the political side of the city government.

Fifth, a serious mistake was made in the 1921 charter in the provision for the election of councilmen by districts. The council of twenty-five was excessively large; proportional representation brought out many candidates and the total number on the ballot in the four districts was beyond the voters' understanding. While council elections were bitter they were always district rather than city fights. It is clear that election at large, as in Cincinnati, would have improved the calibre of council, rendered easier the creation of a city-wide independent movement, and facilitated the divorce of politics and administration.

But any party publicity man knows that popular elections frequently do not turn on fundamental issues, and this time Cleveland was no exception. Two weeks before election, former Manager Hopkins in a talk to the City

Club launched a bitter attack upon Maurice Maschke, the Republican leader. Mr. Maschke, breaking a lifelong practice to refrain from platform debates, replied before the same club a week later. Hopkins took the lid off municipal politics and deposited the refuse at Maschke's door. The latter reciprocated by involving Hopkins in the very deals which he had condemned. As has happened before in Cleveland, many voters, disgusted with political mud-slinging, decided to vote out the system whose operation was being debated in extraordinarily abusive language. Neither Maschke nor Hopkins was seeking the defeat of the manager plan, but their personal quarrel operated to that end.

The picture of sordid politics painted by opponents of the manager plan from the materials of the Hopkins-Maschke controversy was embellished during the last week of the campaign by a carefully timed attack by the county prosecutor upon the police department. The prosecutor, who was a Democrat campaigning on behalf of his party against the manager plan, permitted the release of grand jury testimony the Friday before election. Of course, no opportunity for rebutting evidence was afforded, and the denials of the director of public safety and the chief of police could not overcome the presumption established by the improper leaks from the grand jury room.

The city manager plan was defeated despite the fact that it had the vigorous support of all the newspapers, the Republican organization, various civic bodies whose leadership can usually be trusted, such as the Women's City Club, the Citizens' League, the Chamber of Commerce and the Citizens' Committee, and despite the fact that the then city manager, D. E. Morgan, had observed the letter and spirit of the manager charter with a high degree of conscientiousness.

As a matter of fact, election interest centered chiefly upon the councilmanic race. Thirty-one per cent of those who cast ballots for council candidates failed to record a preference on the charter issue. Less than 50 per cent of the registered voters participated in the manager issue.

In our opinion, the majority of Cleveland voters who expressed a legal opinion at the polls disregarded the record of manager government and voted under the influence of machine dictation, depression psychology or a natural distaste for seeing dirty political linen washed in public. We predict that Cleveland will one day return to the manager plan and that its operation will then fulfill reform expectation by reason of a better understanding of its true nature.

*

What About the Indiana Tax Plan?

Hard times are bringing renewed consideration of the possibilities of state control of municipal taxation and expenditures. The so-called Indiana plan, which has been given wide national publicity, is being put forward as a panacea for our civic ills. Some of the claims made for it are extravagant but it has now operated for a decade and its results cannot be dismissed lightly by its foes. *New Jersey Municipalities* is to be congratulated upon undertaking a series of articles on the subject from the pen of Wylie Kilpatrick who has been an intensive student of the Indiana plan for a number of years.

In brief the plan authorizes the state tax board to review, upon appeal of ten taxpayers in any district, a proposed budget or bond issue of the district. After hearing the appeal the board may approve, reject or reduce budgetary items or bond measures. Thus a share of the responsibility for the volume of expenditures is transferred from the locality to a state board.

Everyone seems to agree that certain reductions in taxation have been effected. In one year they amounted to more than $4,500,000, on paper at least. Budget increases and bond issues have frequently been disapproved or reduced for sound reasons. Mr. Kilpatrick believes, however, that in some respects the supervision has been unwise, and that in others it has failed to reach the real causes of improvident financial administration.

The prevailing opinion in Indiana seems to be that the aggregate amount of tax levy throughout the state for 1932 will be less than for 1931 by almost $7,000,000 in a total property tax of more than $165,000,000. But a considerable portion of these reductions are predicated upon orders to absorb working balances. It is also probably true that local units frequently inflate their original budgets in anticipation of reduction by the state board. Consequently it is a moot question whether the state board helps or hinders the local officials and their public to reduce expenditures. Moreover, it is possible that local officials anticipating appeals to the state board fail to do the thorough budget job which they otherwise might perform.

It is possible that some of the major reductions ordered are unwise. The wisdom of a state board is not invariably perfect. For instance, the current budget of Marion County (Indianapolis) must be reduced 5 cents in the sinking fund rate, the state board having directed that $380,000 of next year's bond maturities, which the 5-cent rate was to meet, be refunded. This is a financial policy extremely dangerous, if not radically unsound. There is danger, moreover, that what has been done may turn out to be a mere postponement of taxes or a using up of working balances. Advertised savings of the past have in part come from these very sources.

There is, of course, another side to the picture. Fear of censure by the state tax board may lead governing bodies to greater zeal for economy and thus save the people from unnecessary tax burdens without the appearance of such savings in the record.

State review contains no magic to lift municipal governments out of their difficulties. Unquestionably the effective cure lies deeper than a mere veto of bond and budget items after passage by the local bodies. For example, the New Jersey municipal bond and budget acts are more effective in reaching certain evils which the Indiana plan is designed to stop than a mere veto power would be.

*

In the Notes and Events department Howell Wright interprets the Cleveland vote against the proposed bond issue of $2,500,000 for the expansion of the municipal light plant. While not agreeing with Mr. Wright in all respects, we are glad to publish his views as to why the voters acted as they did.

To laymen the answer to the question of whether the Cleveland municipal plant has been successful or not seems to rest upon the accounting standards adopted. If the requirements of the charter are followed, the decision is that the plant has been a failure. On the other hand, however, it can be pointed out that the charter requirements are excessively severe, far more so than any private utility would accept. Judged by the practices of private utilities, the Cleveland municipal plant appears to our untutored mind to have been eminently successful. And regardless of accounting details, for that is what they are in this case, the fact remains that the base rate to private consumers is little more than 3 cents per kwh.

HEADLINES

The sports editor of a Buffalo paper recently wrote to the National Municipal League. He thought it was a baseball association.

* * *

Fifteen cities voted to adopt the manager plan during 1931. They are: San Diego, California; Pensacola and St. Petersburg, Florida; Toccoa, Georgia; Dormville, Indiana; Ashland, Kentucky; Bangor, Brewer and Dexter, Maine; Binghamton and Utica, New York; Asheville, North Carolina; Belton and Jacksonville, Texas; and Appalachia, Virginia. San Juan, Porto Rico, now has the plan by legislative enactment.

* * *

The taxicab parking problem has been temporarily solved in Rio de Janeiro by a unique decree of the city council providing that taxis can park on the side of the street which has even house numbers only on even days of the month. On odd days taxis must park on the side having odd house numbers.

* * *

Philadelphia, dubbed "corrupt and contented" by Lincoln Steffens, may still be corrupt. There is room for doubt as to its contentment. Fourteen thousand home-owners, aroused to a pitch not duplicated in the memory of the oldest residents, recently voiced strenuous objection to any increase in the tax rate for 1932 at an impressive mass meeting and stormed the city hall in protest. On the heels of the protest came the news that there was no money in the city treasury to meet payrolls for the last two weeks of December.

* * *

Changing a comma to a period and a period to a comma may land councilmen of San Buenaventura, California, in jail under the terms of a California statute which makes it a crime to alter a record after filing. A slight error in punctuation in the proposed charter gave the manager power to appoint all officers of the city. Council corrected this error at its own risk.

* * *

More excitement than any fire ever caused in Hanover Neck, New Jersey, occurred recently when the new $4000 pumper was stolen from the fire house. It was later found abandoned eight miles from town. Looks as though Hanover Neck needed a manager—or a watchman!

"Until some honest economy is practiced," Chicago banks will lend the city no more money, leading banks tell the Illinois legislature, in special session to help solve the city's financial difficulties. Chicago is not the only place where banks are exerting pressure for improved government. The depression may have its bright side, after all. But how these same bankers are fighting an income tax law for Illinois!

* * *

Centralized purchasing for all departments of the city of Chicago under control of the city council has been adopted by ordinance, following recommendations to that effect by the mayor's advisory commission. Savings of more than a million dollars a year can be effected, according to estimates by Russell Forbes, who acted as consultant. The survey of the existing situation on which the recommendations were based is probably the most complete survey ever made of the purchasing done by a large city. It was part of a general survey of the administrative departments being carried on by J. L. Jacobs for the mayor's advisory commission.

* * *

Two optional forms of government are recommended for Virginia counties by the state commission on county government in its report to the legislature. They are: a county manager form, which is particularly recommended for counties with urban conditions, and larger rural counties; a county executive form, which is sufficiently flexible to be adapted to the needs of any county in the state. Under the latter plan, the board not only appoints the county executive but makes the appointment of all other officers and employees in the administrative service of the county upon recommendation of the executive.

* * *

The last remaining privately owned transportation system in Detroit has been wiped out. The common council voted seven to one recently to replace the lines of the privately owned Detroit Motorbus Company with service of the publicly owned Detroit Street Railway. The day-to-day agreement reached with the company several years ago permitting the private company to use the streets was thus automatically abrogated. It is interesting that in these lean days there are few bitter battles over municipal ownership of local transportation facilities. With the passing of profits in street railways, private capital seeks new worlds to conquer, and objectors to municipal ownership become fewer and fewer!

* * *

Daniel E. Morgan, former city manager, Peter Witt, stormy petrel of the Cleveland council a few years ago and more recently representative of the Van Sweringen interests, Ray T. Miller, county prosecutor, I. O. Ford and F. W. Walz are in the race for the Cleveland mayoralty. Under the recently adopted Danaceau amendment, Cleveland reverts to the strong mayor form of government.

* * *

Consolidation of the city of Hackensack, New Jersey, and the boroughs of Maywood and River Edge is recommended in a report by a commission appointed by the mayor more than a year ago to study the advisability of such a merger. The commission, opposing "strict consolidation" because of "insurmountable difficulties," recommended a plan similar to the organization of Greater New York.

Howard P. Jones.

Reducing Public School Costs

THE time has come to ask whether our public schools are worth what they cost

BY H. J. MILLER

Minneapolis Taxpayers Association

THE usual reply to the question, "Why is the cost of education increasing?" has been, "Increased enrollment and increased cost of all commodities affecting costs of education."

Although this was true once it is true no longer. Restricted immigration and decline in the birth rate are operating to affect materially school population trends. Our birth rate has fallen from 40 per thousand in 1900 to less than 19 per thousand in 1930. This trend was not reflected in costs of education during the last decade because the high school population was setting new records in enrollment which equalled or more than offset the expected financial result. Now, however, the school population curve is being stabilized with a downward tendency.

More striking, of course, is the trend of commodity costs downward. School building programs have generally caught up with the war season slump. Teachers' salaries are not upward, but downward. A recent questionnaire sent out to cities of over 2,500 population by the research division of the National Education Association indicates that for the school year 1931–1932, on the basis of well-scattered replies, only 1 per cent of the cities have a higher salary schedule, while 56 per cent have the same schedule and 39 per cent will decrease salaries in one way or another. The other 4 per cent are unclassified. There are several ways of decreasing salaries within the terms of this questionnaire. One is to withhold all or part of the automatic increases. Another is a flat reduction of the prior year's salary, and in other cases the regular increases are allowed and a subsequent cut imposed.

FINANCIAL EMERGENCY NECESSITATES EXTRAORDINARY ECONOMIES

Thus the major factors which affect costs of education point not to an increase, but a decrease. This is a general long trend picture, however, which assumes the school system will continue on its present keel with no major changes. But a crisis having arrived in our fiscal affairs, demands for retrenchment are more compelling than at any time since the war. Hastily conceived ways of meeting lowered school budgets are being undertaken. All of this may finally work for some good.

Just two months ago, appreciating this condition, a conference of city school superintendents of the larger cities of the country was held at Baltimore to discuss the best ways to reduce the costs of education in this emergency. It is interesting to note the atmosphere of that gathering. There was apparent agreement that emergency measures to reduce the cost of education must be employed. The example of Minneapolis was probably typical, where with a slightly increased school attendance, the school board budget for 1932 is about ¾ of a million dollars under the year 1931. The conference at Baltimore discussed not a theory but ways of meeting these enforced reductions. They report various methods are being used. The most common seem to be to lower teachers' salaries, increase the teacher load, and shorten the school term, but such things as curtailing or entirely eliminating kindergartens, vocational schools, teachers colleges, Americanization classes, night schools, summer schools, teachers' sick leave with pay, music, home economics, manual training, athletics, school supplies, maintenance repairs, nursing service, transportation of pupils, extension department, building insurance, and even the building construction program, are being tried in some school systems.

Of course, what is wise in one school system might not be equally wise in another. A wealth of experience on what can be done is fast accumulating. It may take some time to evaluate the result. By enumerating these actual methods now being used throughout the country to reduce school budgets I think my duty to my topic is discharged. There may be more merit in some of these precipitous acts of the present than some of us believe. You will note that these methods of curtailment now going on cover all of the major factors of school costs, such as teachers' salaries, curriculum, teacher load, and capital outlay. We have nothing but good wishes for these efforts and for the present they are probably the practical problems to discuss, but beyond all of these are there not ways to be found of harmonizing the costs of education with the ability and desires of citizens to support it? There is a well defined feeling, I believe, among this group, that organized education has tried to coldshoulder us out of their field on the theory that we are blundering amateurs. Nothing is to be gained by emphasizing this attitude, but I suspect that if it is true it is all the more likely that you will receive a liberal education if you do enter the portals.

OUR PUBLIC SCHOOLS HAVE BEEN EXPERIMENTING

Our public school system in the last decade has been a great laboratory experiment with the children as the subjects and the taxpayers' money as the subvention. No criticism is made of the fact that it has been an experiment, but it is suggested to those on the outside that the results of these experiments have not yet produced conclusions with sufficient finality to justify the belief that the school problems involving both the value and the cost of education have been solved. The missing link has been a medium to inform adequately the public of the progress of these experiments and to impress upon the experimentors the collective wishes of the public. Now that a crisis has arrived we are beginning to hear the query of organized education, "What do you want to cut out?" The unfortunate thing is that the condition which prompts the query was not foreseen, although many attempts were made to impress upon our educators this need of foresight.

In Minneapolis today parents and teachers associations and other civic bodies are invoking their experience and imagination for ways to adjust next year's school costs to a 10 per cent reduction imposed upon our board of education. I have talked with many of the responsible officials of our school system, members of the teaching staff, and officers of parents and teachers associations, and I have come to the personal conclusion that some of us have been asleep. One thing is certain, unless public understanding is increased, education will not continue to receive the generous support that it has enjoyed in the past. There is a well defined feeling that organized education has made its own adaptation of these experiments with the consequence that the group interest of education has smothered the interest of the parents and children. No one who believes in the possibilities of education, as we all do, wants that feeling to exist, to say nothing of the condition.

EXPENSIVE INNOVATIONS

During recent years a tremendous change has taken place in the technique of instruction. The recitation method that we knew has been supplanted by the project and other methods. This change has pointed to the desirability of increasing the class period from 45 minutes to a longer period. In place of the old eight periods of 45 minutes each per day with six teaching periods per day per teacher, we have changed to six periods of 60 minutes each per day with five teaching periods per teacher. This change means that while the pupil in most cases receives more teacher minutes per day the teacher gives one-sixth less pupil days. Now, what may actually have happened is a thinning out of the teacher's work so that the pupil does not receive the full benefit expected, while the cost of education does get the expected increase. If the teachers had accepted the lengthened class hour without diminishing her pupil-day load, a different financial result would have followed. This major change in school periods indicates a trend in education seemingly opposite to that in other fields, where the productive capacity of the individual has been increasing, while in education we find that the productive capacity of the teacher, at least in terms of pupil-days, has decreased. There may be good reasons why this should be true, but public understanding must be convinced that the tremendous financial result of this change was necessary and justified by a corresponding increase in the value of the instruction.

Take the question of peripatetic teaching (a plan of moving teachers) which has important possibilities of saving. Any reference to this brings the answer with a rush from organized education that it would not allow each teacher to have a classroom of her own, which is, of course, the major saving of the plan. I make no pretense of knowing how the merits or demerits of the plan would weigh out, I am merely illustrating the reaction of the group interest.

Take also the question of semi-annual promotions. Doubt already exists whether this is a satisfactory solution to the grading problem. Something better may supplant it, which, if it makes a class unit more homogeneous may increase the opportunity for enlarging the pupil load.

Consider the matter of class size. Organized education often asserts that the fewer pupils in a class the better the education received. Strange to say, all the evidence received from educational psychology fails to support this conclusion. Children in large classes are found to receive as good, if not better, training as those in small classes. The superintendent of the Minneapolis public schools last year estimated that as much as $200,000 a year might be saved there if each teacher had to take care of one more pupil. No discussion of ways and means of reducing school budgets should overlook this field.

Another phase of our present pupil-load situation, the necessity for which is not at all clear to us, is that high schools have substantially smaller pupil-load than grade schools. In Minneapolis grade schools it is 38, in junior high schools 30, and in senior high schools 27. The older the pupil the more he should be able to do for himself. So what we have is a strange reversal of a logical arrangement.

The very matter of an enriched curriculum may be defeating other desirable ends and may be one reason for smaller classes in high schools than in elementary schools. The more courses offered the more difficult the program is to administer economically.

THE JUNIOR HIGH SCHOOL

The junior high system is another illustration. I am not at all sure that it was not an experiment thrust upon us by a professional group rather than an institution jointly agreed upon by patron and educator after careful study. Junior high schools may not cost more money than the old system, but may it not be possible that the same good ends could have been accomplished in some better and possibly more economical way? There is certainly much sentiment abroad among the people that the junior high school breaks the home ties too soon and results in assuming a plane of conduct above the age of the pupil.

The fact that the schools accept children at kindergarten age may or may not have anything to do with the parents' desire to reduce the distance between schools, but there is a growing question as to whether a whole year of kindergarten is really necessary. There seems to be no scientific proof of its beneficial effect on later school progress.

Teachers' pension systems are installed by citing the usual benefits, one of which is that they offer a satisfactory disposal of superannuated teachers.

Automatic salary scales are adopted which ignore rewards for superior teaching. General increases in salary scales are put through on the theory offered by organized education that better teachers will be attracted thereby, or that better service will be rendered by the same teachers.

The next step is a teacher tenure law which operates to defeat the pension system as a means of retiring superannuated teachers and displacing mediocre teachers with those more efficient whom the new salary scale is supposed to attract, to say nothing of lessening the possibilities that the same teacher will render better service.

THE LAYMAN IS BECOMING SKEPTICAL

When a school system has passed through this series of steps, which to my knowledge some have, can laymen be blamed for wondering who is to be the beneficiary of this great educational experiment? Some of those who have watched these and many other experiments in education at close range, such as the single salary scale, equal pay and automatic salaries, are questioning the wisdom of continuing many of them. Dean Seashore in his pamphlet, *Learning and Living in College*, says: "We make students helpless by constant help. We teach too much." We may at least hope that educators will perfect techniques of providing education which will be less costly and more valuable. There is a restlessness which indicates something will be born. The experiments now coming out of the laboratory question the value of any instruction that falls upon students with passive attitude. This in turn questions the whole system of compulsory education.

Before this and many other important issues in education can be intelligently approached we must have a restatement of our philosophy of education. There is a surprising lack of agreement on what is the real purpose of our schools. Are they for utility or morality? If it is only for better equipping our children to make a living we might question our whole high school system. Are we making school attendance synonymous with acquiring education? Albert Wiggam, the eminent biologist and psychologist, in his recent book, *The Marks of an Educated Man*, offers as one of these marks the suggestion that we cannot sell an educated man magic. In this connection he says:

> Just now I think the American people are immensely oversold on the magic of education—not education precisely, but on schools and colleges and the paraphernalia, curricula and mechanism of education. The notion, for example, that everybody should go through the eighth grade or high school or college or even remain in school until the age of fourteen or sixteen years, is just a piece of magic. The notion that education, if we mean by that a formal school attendance, is a solution of the problems of either life or democracy, is pure hokum. Education is our best bet for a solution, but mere school attendance is not. Education and school attendance do not have any perfect association with each other. There are so many constructive things going on in education that I fear this may be mistaken for a wholesale indictment of our schools. It is not. But there is, nevertheless, a lot of magic for sale in our school systems.
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> I should say, in a broad way, that just in the proportion a school system teaches young people things and habits they use extensively in later life it is to that extent educative; the children are really going through a process of education. On the other hand, just in the proportion that a school system teaches things and habits that are never used afterward, that do not fit the pupil effectively and happily into the living institutions and culture of his time, to that extent the system is a purveyor of magic. The notion that culture results in some mysterious way from parsing Latin sentences or declining nouns, or digging for Greek roots is just as much a piece of magic as the mystic words the South Sea Islanders thought they needed to make their boats float on the water.
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> Of course, if a man has gone through any of these survivals of fetishism, thaumaturgy and general educational witchcraft, he can, when in polite circles pronounce some of the magic formulas; if he have an extraordinary memory he may guess vaguely at what the speaker of the evening meant when he quoted eight or ten words in Latin from Sallus or Ovid, and may have a little idea of what is meant by a sine or cosine, but the notion that any large number of mature citizens who heard of these things in school or college will have used them sufficiently as agencies of living and processes of life for them to be called culture, is again just as much magic.
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> Various surveys and educational measurements have shown that at least seventy-five per cent of the young people will never use these things or in any way refer to them during their whole lives, that scarcely one out of a dozen ever learns them to start with, and that at least eighty per cent of what is partially learned is forgotten and has to be learned over again before the learner can bring it into practical use, in the rare event that he ever should want to use it!

Mr. Wiggam's may be an intentional over-statement.

Do not make the mistake of misunderstanding my questioning. I only state that I believe our whole educational system must pass through the same questioning that other private and public expenditures are passing through. Educators should insist that the public follow education more closely and more understandingly in its thinking and its experimentation so that a more perfect acceptance of public education and its methods will result.

What Municipal Home Rule Means Today

I. California Since 1916

CALIFORNIA cities have made extensive use of home rule powers. Attitude of the legislature and the courts is increasingly liberal

BY EDWIN A. COTTRELL *Stanford University*

THE general tendency in the past fifteen years has been for the courts to be more liberal in allowing municipalities to handle a wider range of municipal powers freed from general legislative control.[1] Most of the later decisions have given a larger, broader, and, we feel, a more justifiable construction to freeholder charter powers. As has been so often pointed out, there seems to be no clear line of demarcation in the general laws or charter provisions as interpreted by the courts between municipal affairs which are "local" or those "general" in character. Most of the newer charters have placed more emphasis on the form of government rather than on the expanding or contracting powers of government. The freer exercise of local powers has been considerably curtailed also by the growing process of administrative control or supervision by state authorities. There is a disposition on the part of the legislature to decide its course by a semi-official vote of the cities or their representative, the League of California Municipalities. There is no evidence, generally speaking, of the legislature's attempting to deprive the cities of the home rule they have enjoyed. Nor is there a tendency of the legislature to impose its will on the cities, for it seems to allow the cities to decide on municipal affairs by themselves. All attempts at the last session of the legislature to deprive the cities of their privileges were defeated. A constitutional amendment to tax municipalities has been defeated by the legislature at several sessions. There is, therefore, much evidence of a broadening of municipal powers as the legislature accepts measures introduced on behalf of the cities.

CHARTER ACTIVITY GREAT

Under the provisions of article XI, section 8 of the California constitution, any city of 3,500 population may adopt a freeholder charter. In 1916 there were fifty-three cities which might adopt home rule charters and thirty-two had done so. In 1920 thirty-six out of seventy-six had adopted charters. In 1930 forty out of one hundred twenty-three had taken advantage of

EDITOR'S NOTE.—The article by Mr. Cottrell begins our series on What Municipal Home Rule Means Today. Ten or twelve states with widest experience under constitutional home rule grants will be treated in successive issues.

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[1] Fifteen years have passed since Howard Lee McBain published his excellent and monumental work on *The Law and the Practice of Municipal Home Rule*, Columbia University Press, New York, 1916, pp. 724. "Home Rule in California," Chaps. VII–XI.

this provision. There are two hundred seventy-eight incorporated places in the state. Thirty-five cities in the state are using the city manager form of government; twenty-four are under freeholder charters, and eleven under state statute.

Practically all of the larger cities of the state have adopted new charters or considerably amended old charters since 1916. Most of these cities have adopted the council-manager form of government and several have followed rather closely the proposals of the National Municipal Leagues' Model Charter. Los Angeles and San Francisco have each adopted charters which are unique in form and to a certain extent cumbersome in operation. The new San Francisco city and county charter goes into operation this month, and will be of great interest to those following the newer forms of government.

The constitution has been amended in only two minor particulars since McBain wrote in 1916. In 1922 an amendment was inserted to clarify an amendment of 1914 which provided for the creation of boroughs to exercise general and special municipal powers. The words added provided that such powers shall not be amended or abridged in any manner, without the consent of a majority of the electors of the borough. In 1930 a clause was eliminated which provided that amendments to a charter must be voted upon during the six months next preceding a regular session of the legislature or before the final adjournment of that session. This gives the cities the power to adopt amendments at a general or special election.

A word should be said of the progress of county home rule under the constitutional amendment of 1912.[1] Five counties have adopted freeholder charters—Los Angeles and San Bernardino in 1913, Butte and Tehama in 1917, and Alameda in 1927. Charters have been defeated in Napa in 1917, Sacramento in 1922, San Diego in 1917 and 1923, Santa Barbara in 1917, and Stanislaus in 1930. The California Commission on County Home Rule was authorized by the legislature in 1929 to ascertain why more counties had not taken advantage of this constitutional provision. The report submitted to the governor and legislature in December, 1930, discusses the conditions in the counties of the state and makes suggestions for future action.[2]

CONSTITUTIONAL PROVISIONS

Tooke says that California has been for the past years the battleground of the conflicting theories of municipal home rule under constitutional sanction.[3] The provisions of article XI, subject to so varied and often inconsistent interpretations as that of the method of enacting home rule charters and ratification by a majority in each house of the legislature have been the bone of contention. The courts have attempted to go beyond the question involved and by observation and dicta interpret questions that may arise later. The courts have held [4] that where there is a conflict between a state law and a city ordinance under a freeholder charter, in regard to a municipal matter, the city ordinance prevails, but in all affairs of state policy and government, the general laws control.[5] A city is restricted in the exercise of its powers by the constitution and general laws. It has only those powers expressly conferred and such as are necessarily incident to the declared objects and purposes of the municipal corporation.[1] But where no particular provisions are made covering the matter falling within the classification as a "municipal affair," the state law controls, and where no special proceeding is outlined touching a municipal subject, the state law always controls by force of the constitution.[2]

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[1] Article XI, section 7½.

[2] *Final Report of the California Commission on County Home Rule*, Dec., 1930, State Printing Office, 236 pp.

[3] Tooke, C. W., Judicial Decisions, NATIONAL MUNICIPAL REVIEW, Sept., 1927, p. 593.

[4] City of Los Angeles v. Central Trust Co., 173 Cal. 323 (1916); Helmer v. Superior Ct., 48 Cal. App. 140 (1920).

[5] People v. City of Long Beach, 155 Cal. 604 (1909).

In *Taylor* v. *Cole*[3] the Supreme Court unanimously decided that a home rule charter or amendment thereto when ratified by the legislature under article XI is a law of the state legislature. Thus early decisions (*People* v. *Gunn*[4] and *People* v. *Toal*[5]) are definitely overruled, and the doctrine as set forth in *Ex parte Sparks*[6] and *Fragley* v. *Phelan*[7] is approved and settled. The court in *Taylor* v. *Cole*, holding that the culminating act of ratification by the state legislature is conclusive upon the question of the regularity of the preliminary proceedings, has insured the administrative regularity of home rule charters and of amendments and rendered them immune from attack by private individuals. They now have the status of *de facto* if not of *de jure* corporations and the validity of their organization can be questioned only in a proceeding *quo warranto* as the suit of the state itself. Every charter amendment is now to be regarded as a special statute repealing *pro tanto* the existing general statutes, while outside the field of exclusive powers committed by the constitution to municipalities, a general statute will repeal the charter provisions in conflict therewith.[8]

In determining the power of the city over public utilities the court finds[9] in sections 6 and 8 of article XI that its powers over municipal affairs become all embracing, restricted and limited by the charter only and free from any interference by the state through general laws including laws governing the railroad commission's powers over public utilities. The result is that the city has become independent of general laws upon municipal affairs. If its charter gives it powers concerning them, it has those powers; if its charter is silent as to any such power, no general law can confer it. Under sections 22 and 23 of article XII, and section 43b of the Public Utilities Act of 1915,[10] the railroad commission has jurisdiction to require state railroads, whose lines of track pass through the city of Los Angeles to establish viaducts or subways at street crossings in such city, as the regulations of such railroads in that particular is a matter of general state concern and is not a "municipal affair" within the meaning of sections 6 and 8 of article XI as amended in 1914 or of subdivisions 51 and 53 of section 2 of the Los Angeles charter which were added by amendments that took effect in January, 1917.

In the case of *Morgan* v. *City of Los Angeles*[11] the court is called upon to decide whether the city has power to issue bonds as a portion of its municipal affairs. The court says:

> The intent and effect of this amendment [1914] is very clearly to make municipal affairs prevail

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[1] Hurst v. City of Burlingame, 207 Cal. 134 (1929).

[2] Hyde v. Wilde, 34 Cal. App. Dec. 311 (1921).

[3] 257 Pac. 40 (1927).

[4] 85 Cal. 238 (1890).

[5] *Ibid.* 333 (1890).

[6] 120 Cal. 395 (1898).

[7] 126 Cal. 383 (1899).

[8] Tooke, C. W., Judicial Decisions, in NATIONAL MUNICIPAL REVIEW, Sept., 1927, p. 593.

[9] Civic Center Asso. of Los Angeles et al. v. Railroad Comm. of California, 175 Cal. 441 (1917).

[10] *California Statutes*, 1915, p. 137.

[11] 182 Cal. 301 (1920).

over general laws in case of conflict between them. But there is nothing in its language and nothing in its history which requires or justifies the assumption that it destroys the operation of general laws within chartered cities where there is no conflict between them and the municipal laws or regulations of the city even though the subject dealt with be a "municipal affair." By the constitutional provision as it now reads, chartered cities may be wholly independent as to what laws or regulations they may wish to adopt in municipal affairs, but unless they adopt laws or regulations which are in conflict with general laws on the same subject, the latter should still operate both within and without the cities by virtue of the fact that they are general laws of the state of which the cities are still a part.

Prior to the amendment of section 6 of article XI in 1914, and after its amendment in 1896, a charter framed and adopted under the authority of the constitution was subject to be controlled by general laws except in municipal affairs; and in accordance with the construction placed upon the amendment of 1896, it was necessary to enumerate in such charter and in an amendment thereto the specific powers which the city might exercise in relation to municipal affairs in order to remove the city in its control of such affairs from the operation of general laws. One of the purposes of the amendment in 1914 was to obviate the necessity of specifically enumerating in the charter all powers relating to municipal affairs in order to remove the city as to such matters from the operation of general laws.[1] A city having failed to avail itself of the right conferred by this amendment is in the same situation as it was prior to that amendment. Section 2 of article I of the new charter of San Diego is worded to cover this provision:

> The City of San Diego, in addition to any of the powers now held by or that may hereafter be granted to it under the Constitution or Laws of this State, shall have the right and power to make and enforce all laws and regulations in respect to municipal affairs, subject only to the restrictions and limitations provided in this Charter; provided, however, that nothing herein shall be construed to prevent or restrict the City from exercising, or consenting to, and the City is hereby authorized to exercise any and all rights, powers and privileges *heretofore or hereafter* granted or prescribed by General Laws of the State.

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By virtue of the constitution and the charter amendment which became effective January 17, 1925, the board of supervisors of the city and county of San Francisco is given plenary powers to legislate in all purely municipal matters subject only to such restrictions as are found in its charter. The manner of enacting municipal ordinances is declared to be a municipal affair. The fact that the board of supervisors in the enactment of an ordinance prescribing height limitations on buildings failed to follow the procedure contained in section 4 of the Enabling Act of 1917,[2] did not invalidate the ordinance where said board of supervisors in the adoption of said ordinance complied with all the requirements of the charter in reference to the passage and enactment of ordinances. The Enabling Act of 1917 in so far as it prescribes the steps necessary to be taken by the legislative body of a municipality in the enactment of zoning ordinances, has no application to San Francisco.

A peculiar decision was given by the court in the case concerning the manner of election of the council under the new charter for Los Angeles in 1923.[3] The court held that, if at the time a charter is submitted to the electors, there is also submitted a separate proposition which is designed to take the place of one of the charter provisions, the separate proposition takes effect if it receives a majority of favorable votes, notwithstanding the fact that a larger number of votes were cast in favor of the charter. This decision gave Los Angeles a council elected by wards instead of at large as provided in the proposed charter submitted by the freeholders.

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[1] Stege et al. v. City of Richmond, 194 Cal. 305 (1924).

[2] *California Statutes*, 1917, p. 1419.

[3] Horn v. Allen, 195 Cal. 121 (1924).

The position of the legislature in reviewing the methods of adopting a charter by the cities has been examined by the courts in two recent cases. In *Taylor* v. *Cole*,[1] cited above, the court said that an amendment approved by the legislature constitutes a legislative enactment repealing general laws of the state inconsistent therewith. Furthermore, it is a duty of the legislature to see that proceedings by which charter amendments are proposed are regular in all respects, and its conclusion that an election was regular is not open to question in its proceedings. Citizens or officials may not question the existence and validity of an amendment to a city charter after its approval and ratification by the legislature.

The legislature approved a freeholder charter adopted by the people of San Buenaventura (1930) even when the clerk of that city explained in the certificate of election that the charter had not been advertised as provided by the constitution. The court in *quo warranto* proceedings declared[2] that where it appeared from the preamble to the resolution approving the charter that no advertisement giving notice of the fact that copies of the proposed charter were ready for distribution to the voters was placed in a newspaper as required by section 8 of article XI of the constitution, the proceedings attacked were invalid and ratification of the charter subsequently by the legislature did not make it valid.

The newspaper published the charter in full in several issues, but this did not overcome the omission of one of the steps necessary to comply with the constitutional provisions. One justice dissented, upholding the reasonableness of the proceedings in both the city and legislature.

The new San Francisco charter blanketed in the auditor, coroner and county clerk as appointive rather than elective officers. Candidates for these offices submitted nomination petitions to the registrar who refused to place their names on the ballot. The memorandum opinion was stated by the chief justice:[3]

> Under a broad, and the members of the court feel a justifiable, construction of the charter provision, it was competent for the people of San Francisco to provide in the new charter that only some of the city and county officers heretofore elected should continue to be elective officers, and that the others should either continue in their respective offices or be appointed to their positions in the manner and by the appointing power provided in the charter.
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> There is a color of authority for the contention advanced by the petitioners that the offices of Coroner, County Clerk and Auditor should be voted for, but we feel that to so hold in the present instance, and under the condition of the law and the facts of this case, *would be a step backward rather than in keeping with the progressive movement of the citizens of San Francisco which led to the adoption of the new charter.*
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> We can conceive of no good reason why a city and county like San Francisco may or may not elect to do what a county may do in the matter of selecting its officers. *In view of the present tendency toward city government freed from general legislative control,* and with larger powers of selection of local officials lodged in some responsible appointing power, we feel that in reconciling the apparent discrepancy in the language of the two sections of the constitution we are not doing violence to any rule of constitutional construction in according both the same privileges.

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[1] 201 Cal. 327 (1927).

[2] People etc. v. City of Buenaventura, 82 Cal. Dec. 407 (Sept. 15, 1931).

[3] Rand et al. v. Collins, *The Recorder* (San Francisco), Oct. 14, 1931, 82 Cal. Dec. 585 (1931).

MUNICIPAL AFFAIRS

A few cases have been decided by the court enlarging the understanding of "municipal affairs." Compensation of all officers and employees as a wage for services performed, and not within the meaning of the law creating a system of workmen's compensation or indemnity for death or injury is within the power of the municipality, but indemnification to heirs based on earning capacity of the deceased is a state policy and not municipal, and a pension system of a municipality does not take the place of the workmen's compensation law.[1]

The San Francisco charter had omitted the requirement of general law that a voter must add the date of his signature to the recall petition. A freeholder charter may provide for the removal of officers as a municipal affair, and any provision contrary to the state law on the subject is not inconsistent therewith or controlling.[2] A municipality is liable for damages to a pedestrian for personal injuries sustained as a result of a fall from a sidewalk where there was a fifteen-inch drop from the sidewalk to the street level and where the city was accustomed to maintain aprons at such street intersections. A contention that the city was not responsible under contrary provisions of general laws was denied by the court.[3]

The question of the regulation of motor vehicles has given considerable trouble to municipal councils. The power to regulate municipal affairs must be fairly and reasonably applied, and not invoked or exercised to impose unreasonably burdensome duties or obligations on particular classes or persons. A regulation restricting the trucking business to vehicles not exceeding one ton to certain streets within the city limits was not granted by the legislature but is within the power of the municipality under its exercise of municipal affairs.[4]

The question of the sufficiency of a recall petition or of the legality or regularity of any proceeding relating thereto, is the discretion of the administrative officer authorized therein to have such power and the superior courts are excluded from revising or annulling such jurisdiction.[5] Former policemen who were discharged after hearing by the city manager were denied pensions by the pension board and their decision sustained by the court as within their powers.[6] Long Beach has power under its charter and the state law to exercise all state rights in tide and submerged lands within its boundaries and may develop and regulate the same for purposes of commerce.[7] The court held that a municipal corporation possesses and can exercise only those powers granted in express words; those necessarily or fairly implied in or incidental to the powers expressly granted; and those essential to the declared objects and purposes of the corporation, not simply convenient but indispensable.

The Chamber of Commerce of the city of Sacramento had issued publicity material on behalf of the city under provisions of the charter. The treasurer alleged that this was an improper delegation of power by the city to the chamber. The court holds that advertising the city is a public purpose and within the discretion of the council to contract with the chamber to perform this function.[1]

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[1] City of Sacramento v. Industrial Accident Commission, 74 Cal. App. 386 (1925).

[2] Scheafer et al. v. Herman et al. Board of Election Commissioners of the City and County of San Francisco, 172 Cal. 338 (1916).

[3] Rafferty v. City of Marysville, 207 Cal. 657 (1929).

[4] Whyte et al. v. City of Sacramento, 65 Cal. App. 534 (1924).

[5] Baines v. Zemansky, 176 Cal. 369 (1917).

[6] Sevina v. Hickok, 65 Cal. App. 244 (1931).

[7] Long Beach v. Lisenby, Mayor et al., 175 Cal. 575 (1917).

TAXATION

A legislative act authorizing taxation for a private purpose is unconstitutional, as under our system of government taxes can be laid only for a public object. Section 4041, subdivision 9a of the *Political Code* authorizing boards of supervisors to purchase, lease, construct, or otherwise acquire, own, operate, manage, and control, in any city of the state, a cement manufacturing plant and to sell the products of the same in such manner and upon such terms and conditions as to them shall be deemed proper, provided that the state and municipalities or public corporations of the state shall have a preferred right at the same price as the products are offered to private persons to purchase the same, is void, as authorizing taxation for a private purpose.[2]

A municipal license ordinance imposing a license tax on drayage concerns will not be held illegal as being oppressive, unreasonable, arbitrary or discriminatory, nor will its effect be held extraterritorial or an attempt to take private property without compensation for a public purpose merely because of its application to a drayage concern which has no office, depot, warehouse or equipment situated or located within the limits of said city.[3]

A special assessment for street work is invalid unless levied according to the benefits received which is the basic foundation of such special assessments.[4] The council has the power to determine the limits of an assessment district and the amount that the city as a whole shall pay for the improvement. The passage of the ordinance must be regarded as a finding of fact unless fraudulent motives are shown.[5] All questions of procedure on the hearing of protests against public improvements are primarily within the discretion of the city council.[6]

DELEGATION OF POWERS

The delegation of power, even though involving discretion to municipal boards or officers to grant and refuse permits where the occupations and businesses are the proper subject of police surveillance and regulation is sustained on the theory that such officers will not use such powers villainously or for the purpose of oppression or mischief. The city council has authority to abolish taxicab stands from the streets, not because taxicab operations are common carriers, but because of their private use of public highways, which are owned and paid for by the public and are open alike to all persons. The privilege of maintaining taxicab stands on streets can be granted only under proper regulations which may be properly confided to the discretion of a municipal administrative board or officer.[7]

A municipal ordinance delegating to a city electrician power to determine whether electrical installations are dangerous, without defining the conditions which might exist, is a proper delegation of power and is not arbitrary or oppressive.[8] The board of police commissioners of the city may grant or refuse permits to operate a second-hand book shop and this power is not an arbitrary grant on the part of the council.[1] It is an abuse of power and discretion on the part of the city council to refuse a permit for a riding academy, when properly presented, on the ground that the location of such would be objectionable to the general welfare of the public at some future date.[2]

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[1] Sacramento Chamber of Commerce v. Stephens as City Treasurer of the City of Sacramento, 81 Cal. Dec. 831 (1931).

[2] City of Los Angeles et al. v. Lewis, Auditor, etc., 175 Cal. 777 (1917).

[3] California Fireproof Storage Co. v. City of Santa Monica et al., 206 Cal. 714 (1929).

[4] The Spring Street Co. v. City of Los Angeles, 170 Cal. 24 (1915).

[5] Allen et al. v. City of Los Angeles, 210 Cal. 235 (1930).

[6] Cowart et al. v. Union Paving Co. et al., 296 Pac. 945 (1931).

[7] Ex parte Graham, 93 Cal. App. 88 (1928).

[8] Gaylord v. City of Pasadena et al., 175 Cal. 433 (1917).

An important case [3] on the initiative and referendum involved the thirty-day period for filing, the use of the registration list prior to the new registration period, a signature of a prospective voter, and wrong precinct numbers after a change in precinct lines. Where there is no contradictory provision in the city charter, the state statute may be said to govern.

A few cases on the power of municipalities to zone their area and administer such laws have appeared in recent years. A hospital for mental or nervous cases already existing cannot be affected by a retroactive application of the zoning law.[4] Plans to build contrary to a pending zoning ordinance may be refused a permit by the building inspector.[5] A sixth-class city cannot adopt a zoning ordinance by initiative as the state zoning law takes precedence over the initiative for that class.[6] To prohibit the drilling of an oil well on a dairy because of a zoning ordinance to that effect, regardless of the surrounding population or conditions, was held unreasonable and void.[7] In general, the courts have upheld the power to zone as long as unreasonableness or retroactive conditions are not present.

A perusal of the cases handed down by the courts and the practice of administrative officials in the cities and counties of the state will show a gradual, if not a rapid, increase in the exercise of home rule powers. This is especially shown in the exercise of the financial procedure and police power.

It might be mentioned that the legislature passed an act at its last session considerably limiting the discretion of the municipal council in matters of special assessments.[8] This action was justified as a result of the continued abuse of this method of over-assessing property for public improvements against the protests of property owners supposed to be benefited. The conclusion might be drawn from observation of California municipalities in action that the operation of the home rule principle is increasing in the more liberal attitude of the legislature and the courts and especially in the attention which the voters are giving to matters of local concern.

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[1] Ex parte Holmes, 187 Cal. 640 (1921).

[2] Bleuel v. City of Oakland et al., 87 Cal. App. 594 (1927).

[3] Ley v. Dominquez, City Clerk of Los Angeles, 81 Cal. Dec. 818 (1931).

[4] Jones et al. v. City of Los Angeles, 211 Cal. 304 (1930).

[5] Lima v. Woodruff, 107 Cal. App. 285 (1930). Brougher et al. v. Board of Public Works of the City and County of San Francisco, 205 Cal. 426 (1928); 107 Cal. App. 15 (1930).

[6] Hurst v. City of Burlingame, 207 Cal. 134 (1929).

[7] Del Fanta v. Sherman, 107 Cal. App. 746 (1930).

[8] *California Statutes* (1931), chap. 642.

The Missouri State Survey Commission

SWEEPING recommendations of the Survey Commission arouse bitter antagonism but a degree of progress is recalled in the compromise legislation affecting state revenues, school aid and state institutions

BY LLOYD M. SHORT *University of Missouri*

POST-WAR economy and party rivalry in Missouri forced tax reductions, and national prohibition eliminated lucrative sources of state as well as local funds. In consequence of these revenue losses and the ever increasing cost of state functions, old and new, virtually no funds have been available during the past decade for buildings and improvements at state institutions and for additional state support of public education.

In accord with the recommendations of Governor Henry S. Caulfield, the general assembly in 1929 authorized the appointment of a commission of seven members to ascertain the needs of the state institutions, the public schools and the several departments of state government, and to recommend sources of additional state revenue. Theodore Gary, business executive of Kansas City and former chairman of the state highway commission, was designated as chairman of the commission. The final report was presented to the governor on November 30, 1929, as required by the act authorizing the survey.[1]

FINDINGS AND RECOMMENDATIONS

Among the many facts and observations included in the reports of the commission's advisers perhaps the following were most significant: (1) Serious overcrowding in the penal and eleemosynary institutions, accompanied by insanitary conditions, extreme fire hazards, inadequate facilities for hospital and medical care and for educational and recreational development, and insufficient segregation; (2) comparatively low salary schedules in state educational institutions, inadequate library and laboratory facilities, and insufficient appropriations to permit the replacement of old buildings and the purchase of land and the erection of additional buildings to provide for normal expansion; (3) several thousand rural school districts, maintaining in most instances one-room school buildings, with poor equipment, poorly-paid and inadequately trained teachers, and in the majority of cases a daily attendance of less than 20, and possessing insufficient taxable wealth to permit any appreciable improvement in educational standards; (4) diffusion of responsibility for tax administration among several state agencies and local officers, with inadequate personnel and authority for efficient state supervision of property and income assessments; (5) a flagrant abuse of the special fund system in handling state finances, a confusion of the functions of accounting and auditing, and an ineffective system of budgeting and fiscal control; and (6) state capacity to pay taxes not much if any below the average for the United States, with a total per capita tax burden 20 per cent lower than the average for all the states.

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[1] Report of the State Survey Commission to the Hon. Henry S. Caulfield, Governor of Missouri (November 30, 1929), 189 pp. Six supplementary reports also were published containing information and recommendations submitted to the commission by its advisers, namely: Penal and Eleemosynary Supporting Data; A Preliminary Report of the Survey of the Public Schools; Preliminary Report on Publicly Supported Higher Education; The Finances of the State of Missouri; The Taxation System of Missouri; and Financial Administration of the State of Missouri.

To meet the needs of the state institutions and the public schools, as revealed by the survey, the commission recommended a ten-year "pay-as-you-go" program of increased state expenditures totaling $192,689,400, of which $39,615,000 was suggested for buildings and permanent improvements and $153,074,400 for current expenses, including additional state aid for schools. To finance this enlarged expenditure plan, the commission proposed to double the existing corporation franchise tax rate of 1/20 of 1 per cent, to increase the rate on corporate income from 1 to 2½ per cent, to substitute graduated rates ranging from 1½ to 5½ per cent for the existing flat rate of 1 per cent on individual incomes, and to transfer the county foreign insurance tax fund, used for school purposes, to the state. The commission estimated these additional sources of state revenue would yield $158,800,000 over a twelve-year period.[1] No specific proposals were made to provide the additional $33,889,400 included in the expenditure program, but the commission did recommend "that the next legislature provide for a careful study and revision of the taxation system, as well as the administration thereof, and that this study include luxury taxes."

Though the commission made a rather detailed inquiry by the questionnaire method into the organization and functions of the several state offices, boards, commissions, and departments, it concluded that neither time nor funds were sufficient for a careful analysis by disinterested and competent authorities such as would be required to serve as the basis of proposals for administrative reorganization. No comments or suggestions were included in the final report relative to the recommendations of the commission's financial advisers concerning the collection and disbursement of state funds, budgeting, accounting, and auditing.

TAX RELIEF A MAJOR CONSIDERATION

More pressing than any other need, in the judgment of the commission, was "a readjustment of assessments and an equalization of the tax burden." To accomplish this important objective, it was proposed: (1) To transfer to the state the full cost of supporting public patients in the state eleemosynary institutions, thus relieving the counties of an estimated expenditure of $34,000,000 during the ten-year period;[2] (2) to establish a minimum standard of public education, whereby the state would guarantee to every school district levying an annual tax of 20 cents on the $100 valuation for school purposes sufficient money to provide $900 a year for each elementary teaching unit and $1,200 a year for each high school teaching unit, these amounts to be increased to $1,500 and $2,000 in later bienniums with proportionate increases in the minimum local levy up to 35 cents. Of the proposed increase of $100,600,000 in state expenditures for this phase of the ten-year program, approximately two-thirds represented a transfer of school costs from the districts to the state and the remaining one-third an actual increase in total expenditures for school purposes.[1] The commission advocated the creation of county boards of education with authority to consolidate school districts, subject to the approval of the voters in each district affected, but the only incentives to consolidation suggested were to make state aid above the minimum standard contingent upon the acceptance of the larger districts proposed by the county boards, and the grant of state aid for school construction in consolidated districts on the basis of $1,000 for each one-room school thus displaced.

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[1] The commission recommended (p. 172) that "no funds be expended nor obligations incurred to carry out the program outlined herein until the taxes levied to support the plan have been in effect one year."

[2] The counties in Missouri pay at the rate of $18 per month toward the support of their public patients in these institutions.

THE ISSUES ARE DISCUSSED

A state-wide conference in Jefferson City on May 27, 1930, called by the Missouri Press Association, authorized the appointment of an Associated Taxpayers' Committee which assumed active leadership in the campaign to develop public support for the commission's proposals. The Missouri State Teachers' Association and the Missouri Farmers' Association also were active advocates of the program. Chairman Gary, in a radio address on July 25, gave voice to what soon became a popular slogan of the campaign, namely, that tangible property in Missouri constitutes only 20 per cent of the total wealth of the state but bears 96 per cent of the total state and local tax burden. Though the accuracy of this statement was challenged frequently, it persisted and was quoted widely.

The Associated Industries of Missouri and the Chambers of Commerce of St. Louis and Kansas City entered the lists in opposition to the tax relief program and offered substitute proposals involving a bond issue for public buildings and moderate increases in the flat rate tax on corporate and individual incomes to provide some additional state aid for education and for increased maintenance at state institutions. The National Industrial Conference Board made a detailed study of the fiscal problem in Missouri at the request of the Associated Industries and many of its conclusions were pointed directly at the proposals of the survey commission.[2] Dean Isidor Loeb of Washington University, in response to a request from a committee of St. Louis business men, prepared a series of articles appraising the commission's recommendations which served to center public attention on the major issues involved.[3]

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[1] The constitution of Missouri (Art. X, Sec. 11) fixes maximum tax levies for school purposes of 60 cents in cities with a population of 100,000 or more and of 40 cents in all other school districts, which may be increased to $1 and 65 cents, respectively, with the approval of the voters in each district. The average local school levy is about 50 cents, but many of the smaller districts vote the 65-cent maximum.

[2] National Industrial Conference Board, *The Fiscal Problem in Missouri* (New York, 1930), 359 pp.

[3] Loeb, Isidor, *Report of the State Survey Commission—An Explanatory Analysis* (1930), Bulletins Nos. 1 to 7. (Published and distributed by the Associated Industries of Missouri, Railway Exchange Building, St. Louis.)

THE GOVERNOR'S SUBSTITUTE PROGRAM

In his biennial message to the legislature on January 8, 1931, Governor Caulfield, after commending the Survey Commission for its invaluable service, proposed a much more moderate program, the essential features of which were: (1) The adoption of the "pay-as-you-go" policy for capital outlays as suggested by the commission, but with an expenditure of only $20,000,000 during the ten-year period; (2) an increase in the flat rate tax on corporate and individual incomes from 1 to 2 per cent to secure an additional $4,000,000 a year in state revenues; (3) increased state aid to school districts to insure the proposed minimum standard but on the basis of the existing constitutional maximum levy of 65 cents instead of a 20-cent local levy, at an estimated cost of $1,040,000 a year; and (4) the expenditure of the remaining $1,000,000 in increased state funds to meet the building and maintenance needs of the educational institutions. He urged the general assembly not to confuse proposals for tax relief with emergency provisions for state institutions and the public schools.

HOUSE ADOPTS SURVEY PROPOSALS—OPPOSITION IN SENATE

House bills embodying the recommendations of the commission were referred to a special standing committee of 25 members, under the chairmanship of Langdon Jones, a member of the commission and a determined advocate of the tax and school measures. The income and corporation franchise tax bills were passed on February 19 by votes of 113 to 25 and 104 to 29. The public school bill also was passed on March 12, 118 to 15, subject to an important amendment which prohibited increases in district school levies above the 20-cent minimum, except in cities of 50,000 or over, without the approval of the voters.

Following a protest meeting in St. Louis, at which resolutions were adopted condemning the Survey Commission's program as a "monumental tax grab" and insisting that a doubling of the existing flat rate tax on incomes was "all that one class of Missourians could stand for the relief of another class," several hundred business leaders journeyed to Jefferson City by special train to support their spokesmen before the senate committee. Commercial leaders served notice that every available means, such as referenda petitions and court action, would be employed to delay or prevent the operation of these bills if they were passed, and threatened to remove their business establishments to other states if they ultimately became law. Not to be outdone, farmers, editors, teachers, and business men from the smaller communities and rural sections crowded the senate chamber during the closing day's hearings and applauded the ringing challenge of Representative Langdon Jones addressed to city industries "to pay their just share of the tax burden or . . . leave the state."

COMPROMISE INCOME TAX BILL

The senate ways and means committee, confronted with conflicting estimates as to the probable revenue to be derived from the commission's tax measures and sensitive to the general business depression and the importance of avoiding delay, favorably reported the tax bills with amendments reducing the rates on both corporate and personal incomes. When it seemed a deadlock was inevitable, Governor Caulfield suggested a conference to draft a compromise measure. Accordingly after several unsuccessful attempts, representatives of the opposing forces and senate leaders agreed upon a 2 per cent rate on corporate income, and graduated rates on individual incomes ranging from 1 to 4 per cent, with an alternative flat rate of 2 per cent.[1] These compromise rate schedules, which it was estimated would yield approximately $5,325,000 more a year than the receipts upon incomes of 1930 under the existing 1 per cent rate, were adopted by the senate. House leaders, recognizing the futility of seeking higher rates through conference committee action and desirous of avoiding further delay, yielded to the inevitable and that body voted to concur in the senate amendments. The bill was approved by the governor on April 16.

Opposition to the bill increasing the corporation franchise tax prevented a vote upon it in the senate. Proposals in both houses to repeal the 5-cent state tax on general property were defeated. A house measure for a sales tax on cigarettes and cigarette papers died in committee in the senate.

SENATE ADOPTS COMPROMISE SCHOOL BILL

Critics of the Survey Commission's public school aid bill not only opposed the low minimum local levy as a tax relief measure but also objected on the ground that a fixed state guarantee would tend to perpetuate the small rural school districts, that it would weaken local initiative and responsibility in the support of education, and that it would create further inequalities in property assessments. Faced with the prospect of considerably reduced revenues from the pending tax bills, the senate subcommittee appointed to draft a substitute measure chose to lower the amount of the state guarantee rather than to increase the minimum local levy. The bill thus drafted met with determined opposition.

After several days of acrimonious debate, a compromise bill was drafted and passed by both houses. Its essential features were: (1) State guarantees of $750 and $1,000 for elementary and high school teaching units, respectively, conditioned upon a 20-cent minimum local levy; (2) wealthy districts not qualifying for equalization aid to receive teacher and attendance quotas as under existing law with the latter fixed at 1.3 cents per day; (3) state school monies, if insufficient to finance the above program, to be prorated on a percentage basis among all districts; (4) when school fund permits, state equalization guarantees to be increased to $900 and $1,200 and the daily attendance apportionment to 2.9 cents per day; (5) state construction aid to consolidated districts as proposed by the Survey Commission; (6) a minimum school term of eight months; (7) state aid in the payment of transportation and high school tuition costs; (8) provision for closing schools with an average attendance of less than 15; (9) county redistricting boards to plan larger school districts, subject to the approval of the voters in each district affected; and (10) the first apportionment under the new law to be made for the school year 1932–33.

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[1] The constitution of Missouri (Art. X, Secs. 3 and 4) requires taxes to be "uniform upon the same class of subjects," and that "all property subject to taxation shall be taxed in proportion to its value." The supreme court has never passed upon the constitutionality of a graduated income tax, but in upholding a flat rate tax on incomes the court, by a 4 to 3 decision, upheld the view that the term "property" as used in the constitution does not include "personal incomes, occupations, privileges, and similar sources of revenue." Ludlow-Saylor Wire Co. v. Wollbrinck (1918), 275 Mo. 339, 205 S. W. 196. In order to protect its program, the Survey Commission included an alternative flat rate of 2½ per cent to become effective if the graduated tax on personal incomes should be declared unconstitutional.

This compromise measure, which it was estimated would require an increase in state expenditures of approximately $3,225,000 a year, was signed by Governor Caulfield after he was assured that no increase in the proportion of general revenues previously set aside for the state school fund would be necessary during the 1931–32 biennium.

THE BUILDING PROGRAM MUST WAIT

The proposed assumption by the state of the entire cost of public patient support in the state eleemosynary institutions, an important feature of the Survey Commission's tax relief program, was abandoned by legislative leaders as financially impossible. The general assembly appropriated approximately $2,800,000 for buildings and repairs at the several state institutions, and some appreciable increases were voted for salaries and maintenance, particularly in the educational institutions, but an overappropriation of $5,500,000 left Governor Caulfield with the difficult task of "making ends meet." A few emergency repair items were approved and among the items withheld, some of which may be released later in the biennium if revenue receipts permit, are a considerable number which provide for additional land, buildings, and equipment at state institutions.

SUMMARY OF ACCOMPLISHMENTS

A graduated tax on individual incomes is the major achievement of the Survey Commission. The additional revenues from this source and from the increased flat rate tax on corporate incomes probably will not exceed $1,000,000 during the biennium of 1931–32, but in future bienniums the increase, it is estimated, will total at least $10,000,000 with the possibility of several millions more as a result of improvements in administration and better business conditions. A second achievement, dependent on the first, is the plan for equalization aid to local school districts and the creation of county redistricting boards to initiate consolidations. Thirdly, $2,000,000 or more, it is expected, will be available each year beginning in 1933 for capital outlays and increased maintenance at state institutions. A modicum of tax relief was secured only by lowering the proposed minimum standard of education and by deferring the institutional building program. Emergency housing needs at the penal and eleemosynary institutions, for the most part, cannot be met during this biennium. The effect of the school aid law upon local support and the formation of larger districts is a moot question. The commission's recommendation for further study of taxation and tax administration went unheeded. It remains for future commissions and legislatures in Missouri to conduct inquiries and enact laws which will insure greater efficiency and economy in the expenditure of state funds, to the end that tax increases may not have been in vain.

Appraising Municipal Reports

FIFTH annual appraisal notes improvement in municipal reports

BY CLARENCE E. RIDLEY *The University of Chicago*

DURING 1931 fourteen cities in the United States issued reports worthy of a review in these columns. There doubtless may have been others, but if so they did not come to the attention of either the REVIEW or the writer. These reports, which are appraised in this article, were reviewed in the following issues:

August—Alameda, California; Atchison, Kansas; Auburn, Maine; Cincinnati, Ohio; Fort Worth, Texas; and Oregon City, Oregon.
November—Austin, Texas; Two Rivers, Wisconsin; and Wichita, Kansas.
December—Berkeley, California; East Cleveland, Ohio; Kenosha, Wisconsin; Oklahoma City, Oklahoma; and Staunton, Virginia.

BASES OF THE APPRAISAL

The twenty criteria upon which the appraisal is based are as follows:

I. Date of Publication

1. *Promptness.*—The report will have little value unless published soon after the end of the period covered—six weeks as a maximum.

II. Physical Make-Up

2. *Size.*—Convenient for reading and filing, preferably 6″ x 9″.

3. *Paper and type.*—Paper should be of such a grade and the type of such size and character as to be easily read.

4. *Important facts.*—The more important facts should be emphasized by change of type or by artistic presentation.

5. *Attractiveness.*—The cover, title, introduction, and general appearance should aim to attract the reader and encourage further examination.

III. Content

A. *Illustrative Material*

6. *Diagrams and charts.*—Certain established rules should be followed to insure an accurate and effective presentation.

7. *Maps and pictures.*—A few well-chosen maps to indicate certain improvements, and a liberal supply of pictures, pertinent to the report, should be included.

8. *Distribution.*—Great care should be exercised in placing the illustrative material contiguous to the relevant reading material.

B. *Composition*

9. *Table of contents.*—A short table of contents in the front of the report is a great aid for ready reference.

10. *Organization chart.*—An organization chart or table indicating the services rendered by each unit, if placed in the front of the report, will

I. Table of Comparative Ratings of Municipal Reports

Explanation.—The number "5" denotes approach to an acceptable standard, while "0" indicates the value on that particular criterion to be practically negligible. Intervening numbers denote the degree of variation between these two extremes. A total of 100 would indicate a perfect score.

Criteria	Alameda, California	Atchison, Kansas	Auburn, Maine	Austin, Texas	Berkeley, California	Cincinnati, Ohio	East Cleveland, Ohio	Fort Worth, Texas	Kenosha, Wisconsin	Oklahoma City, Oklahoma	Oregon City, Oregon	Staunton, Virginia	Two Rivers, Wisconsin	Wichita, Kansas
I. Date of publication														
1. Promptness	0	3	2	4	2	4	2	3	0	3	3	5	4	3
II. Physical Make-up														
2. Size	5	5	5	4	5	5	5	5	5	5	5	5	5	5
3. Paper and type	5	5	4	5	5	5	5	5	5	5	5	5	4	5
4. Important facts	2	1	1	2	5	3	2	2	2	2	1	2	2	2
5. Attractiveness	5	4	3	5	5	5	5	5	5	4	3	5	4	4
III. Content														
A. Illustrative Material														
6. Diagrams and charts	4	2	2	3	4	5	4	3	4	4	1	4	3	0
7. Maps and pictures	5	3	2	4	4	5	5	4	5	1	1	4	4	4
8. Distribution	5	4	2	5	5	5	5	5	5	4	2	5	5	5
B. Composition														
9. Table of Contents	5	0	5	5	5	5	5	5	0	4	5	5	5	0
10. Organization chart	5	0	0	5	5	5	5	5	5	5	5	5	5	5
11. Letter of transmittal	5	2	4	4	5	4	5	3	4	5	2	5	3	0
12. Recommendations and accomplishments	5	3	4	4	5	4	5	4	5	5	2	5	5	4
13. Length	3	5	4	3	3	2	5	5	2	3	4	4	4	4
14. Literary Style	5	5	5	5	5	5	5	5	5	5	5	5	5	5
15. Arrangement	5	4	5	4	5	5	5	3	5	5	4	5	4	5
16. Balanced content	5	4	4	4	5	5	5	3	4	5	4	5	5	5
17. Statistics	4	4	4	4	4	4	4	4	4	4	4	4	5	4
18. Comparative data	3	4	4	3	4	4	5	3	5	5	4	5	5	3
19. Financial statements	4	4	4	4	4	4	4	4	4	4	4	4	4	4
20. Propaganda	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Totals	85	67	69	82	90	89	91	81	79	83	69	92	86	72

help the reader to a clearer understanding of what follows.

11. *Letter of transmittal.*—A short letter of transmittal which either contains or is followed by a summary of outstanding accomplishments and recommendations for the future should open the report.

12. *Recommendations and accomplishments.*—A comparison of past recommendations with the progress toward their execution will serve as an index to the year's achievements.

13. *Length.*—Fifty pages should be the maximum length.

14. *Literary style.*—The text should be clear and concise, reflecting proper attention to grammar, sentence structure, and diction.

15. *Arrangement.*—The report of the various governmental units should correlate with the organization structure, or follow some other logical arrangement.

16. *Balanced content.*—The material should show a complete picture, and

each activity should occupy space in proportion to its relative importance.

17. *Statistics.*—Certain statistics must be included but, wherever appropriate, they should be supplemented by simple diagrams or charts.

18. *Comparative data.*—The present year's accomplishments should be compared with those of previous years, but only with full consideration of all factors involved.

19. *Financial statements.*—Three or four financial statements should be included, showing amount expended and the means of financing each function and organization unit.

20. *Propaganda.*—It is unethical and in poor taste to include material for departmental or personal aggrandizement. Photographs of officials, especially of administrators, seem out of place in a public report.

The application of these criteria to the reports is shown in Table I.

COMPARISON WITH APPRAISALS OF PREVIOUS YEARS

As this is the fifth appraisal of municipal reports in as many consecutive years it is interesting to note the gradual improvement in the reports for the same cities over the course of a few years.

TABLE II

	1928	1929	1930	1931
Austin, Texas	54	65	81	82
Cincinnati, Ohio	83	87	89	89
East Cleveland, Ohio	..	79	86	91
Fort Worth, Texas	67	73	81	81
Kenosha, Wisconsin	79	68	79	79
Roanoke, Virginia	62	66	74	..
Staunton, Virginia	76	89	90	92
Two Rivers, Wisconsin	65	78	84	86
Average rating	69	76	83	86

Promptness. The average length of elapsed time between the end of the period covered and the date the reports were available for all reports is as follows: 1927–4.5 months; 1928—3.7 months; 1929—4.7 months; 1930—4.1 months; and 1931—3.7 months.

Physical Make-Up. The format, attractiveness, and general make-up of the fourteen reports in 1931 are about equal to the very high standard established in 1930 but the failure to emphasize important facts throughout the text brings the average for this item below that of the previous two years. The rating this year is 81 per cent for all the reports while the corresponding figures for previous years were: 1927—78; 1928—78; 1929—82; and for 1930—86.

Illustrative Material. The quality and amount of illustrative material was about the same as the previous year as is indicated by the following: 1927—62; 1928—58; 1929—65; 1930—74; and 1931—74.

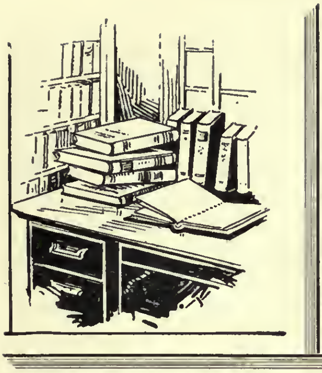
Composition. The marked improvement in the composition of the reports each year during the five-year period is most encouraging. In 1927 the rating was 64 per cent of perfection as compared with 66 in 1928; 72 in 1929; 79 in 1930; and 85 in 1931. The trend toward a shorter report received a slight set-back, however, for the average length for the past year was 72 pages as compared with 60 in 1930; 90 in 1929; 78 in 1928; and 90 in 1927.

CONCLUSION

During the past five years seventy-nine reports, representing forty different municipalities, have been reviewed in these columns. The question therefore might very well be raised as to, (1) whether the interest in public reporting by means of the annual municipal report is broadening, and (2) whether the quality of the annual report is improving. It is doubtful as to the former but unquestionably the quality of municipal reports is on the upgrade. This trend is indicated by the figures in Table II and further evidence is available from the following average ratings of all reports reviewed by years: 1927—65; 1928—66; 1929—72; 1930—78; and 1931—81.

Creditable as this showing is there is still much to be desired. For example, report writers still are giving too little concern to the readers as evidenced by the unreasonable length of most reports, and of equal importance is the almost universal failure of report writers to emphasize in some way the more significant statements in a page of text. Then, too, report writers are not paying sufficient attention to the development of uniformity in the reporting of like activities. They can be excused in part for this, however, for it has been only within the last year or two that any such standardized units of reporting municipal activities have been available. Of special value in this connection is the report of the National Committee on Municipal Reporting which was issued early in 1931. The writer intends to revise his criteria for 1932 with a view of placing more weight on comparative statistics and uniformity of reporting in view of the importance of such information.

It may be too obvious to mention that the annual municipal report is by no means adequate to fulfill the entire function of reporting but this does not detract from its importance and with more and more uniformity possible in the reporting of similar activities there should be a renewed interest in the annual report by the taxpayer who after all is the one we should be striving to reach in our report writing.



RECENT BOOKS REVIEWED

Cost of Government in the United States, 1928–1929. By the National Industrial Conference Board, Inc., New York, 1931. 159 pp.

This volume is the eighth in the series of annual reports prepared by the National Industrial Conference Board on the cost of government in the United States. The report in the form of tables, charts, and brief descriptive analyses treats in successive chapters the subjects of governmental expenditures, public indebtedness, tax collections, sources of tax revenue, and highway finance. This is a useful document, in that it brings together from scattered sources significant detailed factual information on federal, state and local governmental expenditures. The trend of governmental expenditures and the relation of these expenditures to the national income as revealed in the report should be of interest to citizens and students alike.

Martin L. Faust.

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Zoning. By C. William Brooks, Jr. Baltimore: *The Daily Record*, August 13, 1931, pp. 2 and 3.

Baltimore has had a checkered history in its zoning. Out of its defeats and victories has come a body of legal experience well summarized for general application by Mr. Brooks of the University of Baltimore in this article. After rehearsing much ground familiar to the technical reader, he shows just how such details as the Baltimore Zoning Commission's elaborate series of seventy-five special study maps were effectively used in defending the zone plan. His discussion of controlling cases elsewhere also brings out sharply their significance to the zoning cause.

Arthur C. Comey.

Criminal Justice in England. By Pendleton Howard. New York: The Macmillan Company, 1931. 436 pp. $3.00.

This book "is a study in law administration . . . it is concerned almost wholly with the management of prosecutions and the conduct of criminal cases in the courts. . . ." The author's study was conducted under the auspices of the Council for Research in the Social Sciences of Columbia University. Emphasis on the machinery for prosecution derives from the discovery in this country that the prosecutor is the most important single factor in criminal law administration. We learn from it that, while private prosecution is not likely soon to be abandoned, there has been a marked development of public prosecution, without which private prosecution would have become quite inadequate. Through the home secretary, the attorney general, the solicitor general and the director of public prosecutions the government keeps a firm hold on prosecutions in serious cases. In the field of minor delinquency the police, occasionally assisted by experts, constitute the prosecuting force.

The most striking difference between English law administration and ours lies in the fact that England possesses a body of over 25,000 accredited citizens, men and women of character and judgment, who serve as magistrates without pay as a matter of political duty and social distinction. The great success of the justices' courts and other inferior tribunals has led in recent times to the enlargement of jurisdiction until now they finally dispose of about nine-tenths of all indictable offenses, as well as all non-indictable, and without the aid of the jury.

The reader is entitled to conclude that the prosecutor owes his ascendency in our system to the ignorance of the police, the perversion of jury trial, the flabbiness of the judicial structure and especially the partisanship and low intelligence of inferior magistrates. Constitutional guaranties notwithstanding, jury trial becomes less and less a factor, especially in ten states which permit a respondent to waive trial by jury. We shall adhere to public prosecutions. Our need, then, is to organize the officials who exercise this transcendant power, so that they shall become a body of trained experts, as remote as possible from partisan and local influence, and responsible to the state. In doing this the English example is not very serviceable. We must hope that in some venturesome state a great experiment will be made. There is no danger of losing any value. This is not said, however, in derogation of this study of the English system, which is thorough, interesting and very well written.

HERBERT HARLEY.

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IDENTIFICATION AND ANALYSIS OF ATTRIBUTE-CLUSTER-BLOCS. By Herman C. Beyle. University of Chicago Press, 1931. xiv, 249 pp. $3.00.

Professor Beyle's book is essentially a research report which is unique in that it stresses a technique of investigation rather than the results obtained. Credit is assigned to Stuart A. Rice for originating the technique, but the author leaves no doubt that through persistent research he has refined it to yield analyses of data available within the domain of social science and particularly in several fields of governance. Since only the last of the four chapters comprising the main body of the book deals with issues of general import to students of government, it appears that the volume as a whole is addressed to research workers.

The technique described is one which aims to identify within any group those individuals who form cohering blocs, or those persons who possess common attributes, and in addition it seeks to identify and analyse the combinations of traits, or characteristics, which underlie the cohesion of blocs. Step by step the technique is unfolded. From storage tables which depict, for example, the original categories of "aye" "nay" or "non-vote" and which afford a basis for pairing legislators in agreement upon a series of roll calls, one passes successively to indices of the significant cohesion of pairs, of prevalence, and of prominence. Graphic work sheets and tables lend aid in revealing principal blocs, each with its nucleus, and inner and outer fringes of adherents; such illustrations also give body to necessarily involved and lengthy descriptions. Having unfolded the technique, the author then demonstrates its application to sixteen selected roll calls taken during the 1927 session of the Minnesota Senate and contrasts the findings with those obtained from the same legislative body by the method of personal interviews and general observation. Undoubtedly the attribute-cluster-bloc technique does yield a richer delineation.

Professor Beyle has presented his co-workers with a method for defining and analysing attributes held in common by two or more, but not all, members of a group, and it appears that the technique is applicable particularly to opposed qualitative categories. It is not inapplicable to attributes quantitatively defined, but the single example offered by the writer leaves much to be desired; certainly there are more refined methods for reducing scores to a common basis than the one used in illustration. But only additional research can prove the general value of the technique suggested, and such research the author seeks to encourage by enumerating many problems falling within the confines of psychology, sociology, and especially of political science.

CHARLES BIRD.

University of Minnesota.

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BATTLING THE CRIME WAVE. By Harry Elmer Barnes. Boston: The Stratford Company, 1931. 248 pp. $2.00.

In this book, Professor Barnes has produced a stimulating and dramatic presentation of the new criminology and penology for popular consumption. No lay reader could go through the book without a new appreciation of the need for a complete overhauling of our methods of dealing with crime, its prevention and punishment.

Growing out of two years of writing on this subject, among others, for the Scripps-Howard Newspapers, the book is written in a rapid-flowing journalistic style that makes it possible to read it without effort at a sitting.

The author lays down the essentials for a scientific approach to the crime problem, and brings out facts little realized until the recent reports of the Wickersham Commission made the condition of our jails front page stories: that for brute handling of criminals, medieval dungeons and torture chambers have little to show us.

HOWARD P. JONES.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Governmental Organization within Greater New York.—Hubert Stone. Institute of Public Administration, New York, 1931. 18 pp. and chart. For this third edition of the pamphlet describing New York City government, Mr. Stone has revised both the text and the all-important chart in accordance with the changes in city government since the 1928 edition. Thus in addition to changes in salaries and number of employees, new departments such as those of sanitation, hospitals and city planning have been added. Furthermore, the chart has been rearranged so that it conforms more closely to the organization of the accompanying text material. This description of the organization of city, county and borough governments within New York is of inestimable aid in understanding that complex situation. (Apply to the Institute of Public Administration, 261 Broadway, New York City. Price 35 cents.)

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Municipal and County Financial Administration.—Report No. 3 of the New Jersey Commission to Investigate County and Municipal Taxation and Expenditures, 1931. 128 pp. The Commission, whose director is Dr. Harley L. Lutz and whose chief of staff is Mr. Hugh J. Reber, of Griffenhagen and Associates, has thoroughly studied the various aspects of municipal finance and has made recommendations to remedy the existing defects, particularly as to measures of expenditure control. Besides summaries of findings and recommendations, the report includes a discussion of public expenditures, budgeting revenues, special assessment, general accounts, financial officers, auditing and the collection and custody of funds. (Apply to Commission to Investigate County and Municipal Taxation and Expenditures, Trenton, New Jersey.)

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Local Fire Protection Services and Costs.—Commission to Investigate County and Municipal Taxation and Expenditures, Report No. 4, Trenton, 1931. 97 pp. On the basis of reported fire protection expenditures in municipalities of New Jersey and other states and in comparison with the standards set up by the National Board of Fire Underwriters, the commission concludes that New Jersey municipalities are unreasonably extravagant. The recommendations for decreasing this phase of governmental cost, as well as for decreasing insurance premiums by securing better ratings from the underwriters are specific. Consistent with the commission's earlier reports, state participation is again recommended, with responsibility for training of firemen, the promulgation of state codes on building and fire prevention, and a fire prevention commission, with a technically qualified fire prevention engineer as chairman, to enforce these codes. Marked economy might also be effected through district or county organization of fire departments with formal coöperation across boundary lines serving as a possible substitute for district centralization. Recommendations for local improvement concern fire fighting, fire prevention methods and personnel, with particular emphasis on basic improvement in practice, rather than added per capita expenditure. In the absence of thorough state or local codes, those of the National Board of Fire Underwriters should be recognized. An interesting suggestion is made that the cost of fire protection should be met by general taxation only in part, the major burden being borne by the property needing most protection. The value of the report as a basis for the consideration of the cost of fire protection is not limited to New Jersey municipalities. (Apply to the Commission to Investigate County and Municipal Taxation and Expenditures, Trenton, New Jersey.)

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Municipal Problems in the Economic Depression.—International City Managers' Association, Chicago, 1931. 91 pp. Among the important subjects considered at the annual conference of the International City Managers' Association last October were unemployment relief and reducing expenditures to meet diminishing income. This publication is the result of the desire on the part of those present for immediate distribution of the report on this session. Important aspects of the subject are treated by authorities who discuss general trends and theory as well as practical administrative efforts. A useful addition to the conference proceedings on these subjects is the descriptive list of organizations and services available to municipalities on relief work and a selected bibliography on unemployment relief. (Apply to International City Managers' Association, 923 East 60th Street, Chicago, Illinois.)

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The Michigan Plan—An Equitable Proposal for the Reapportionment of the Michigan State Legislature.—Detroit, Michigan, 1931. 123 pp. In view of the indisposition of the state legislature toward the needed reapportionment, the supervisors of Wayne County appointed a committee to study reapportionment for the purpose of framing an amendment to be offered through the initiative power. This published report of the committee of which Benjamin B. Pelham is secretary analyzes the constitutional provisions on legislative structure and apportionment in various states and recommends for Michigan a bi-cameral legislature. The upper house, based on present senatorial districts, is to be elected for four years with half of the terms ending each two years. The lower house would be apportioned on a strictly population basis with a two-year term. In counties entitled to 10 or more members, the board of supervisors might arrange the districts and in cities in counties over 100,000 population one-half the representatives might be elected at large. The proposed amendment also provides for reapportionment immediately after the publication of the decennial federal census, with the added provision that the secretary of state may be compelled to act by court order. (Apply to the Board of Supervisors, County of Wayne, Michigan.)

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The Challenge of the Gasoline Filling Station.—Paul A. Bankson. New Rochelle, 1931. 14 pp. illustrated. As city plan engineer of New Rochelle, New York, Mr. Bankson has carefully observed the construction of gasoline stations there and has used other cities and villages, especially in Westchester County, as a basis for further study. He discusses the responsibility of the boards of zoning appeals, locations, appearance, and gives specific recommendations for making gasoline stations conform to his own high standards. (Apply to Paul A. Bankson, City Hall, New Rochelle, New York.)

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Municipal Courts in Michigan.—W. Rolland Maddox. Michigan Municipal League, 1931. 41 pp. The inadequacy of the old justice of the peace court system and the fact that probably 80 per cent of the judicial business in Michigan is transacted in courts of this type of jurisdiction made a study of the situation important. The Michigan Municipal League undertook to examine the power of cities, features of organization, finance and other questions in connection with the local courts which have broken away from the old statutory fee-paid justice system. On the basis of charter and statutory provisions, replies to requests for data and personal visits, Mr. Maddox has been able to call attention to desirable steps in the betterment of local courts. (Apply to Michigan Municipal League, Ann Arbor, Michigan.)

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The Sale of Municipal Bonds and a Model Municipal Debt Statute.—Robert J. Patterson. Bureau of Municipal Research of Philadelphia, 1931. 36 pp. These important subjects were treated by Mr. Patterson, the chief accountant of the Philadelphia Bureau of Research at national conferences last year, and the addresses are reprinted from the proceedings. The thorough discussions include the city's credit ratings, types of bonds, advertising and sales problems and frequency of bond issues. Under the Model Municipal Debt Statute are the reasons for a statute, the necessity of sound budgetary practices, validity of bonds and other features. Such timely and authoritative publications are extremely valuable. (Apply to Bureau of Municipal Research of Philadelphia, 311 South Juniper Street.)

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Survey of Health Problems and Facilities in Memphis and Shelby County, Tennessee.—W. F. Walker and Dorothy F. Holland. Memphis, 1931. 141 pp. The Committee on Administrative Practice of the American Public Health Association carried on this survey in the winter of 1929–1930. For its distribution in 1931 the Shelby County Tuberculosis Society is responsible. The usual descriptive material is included, with ratings and recommendations. Interesting sections are given to show progress made in the period between the submission of the report and its printing. Particular note is due the fact that the Memphis health program is financed very largely from public rather than private sources. Emphasis is placed on need for developing tuberculosis work. (Apply to Shelby County Tuberculosis Society, Memphis, Tennessee.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE *Professor of Law, New York University*

Disposition of Cases Earlier Noted.—Police Power—Disposition and Review of Cases before the Supreme Court of the United States.—Referring to the cases on the calendar of the Supreme Court, which were noted in the Review of November, 1931, at page 662, final disposition has been made in three of these cases and oral argument concluded in the other. The Court denied the petitions for writs of certiorari in *Marblehead Land Company* v. *City of Los Angeles*, 52 Sup. Ct. Rep. 18 [Adv.], 76 L. ed. 23 [Adv.], and in *Schick* v. *City of New Orleans*, 52 Sup. Ct. Rep. 34 [Adv.], 76 L. ed. 43 [Adv.]. In *Walnut & Quince Streets Corporation* v. *Mills*, 52 Sup. Ct. Rep. 16 [Adv.], 76 L. ed. 19 [Adv.], the Court dismissed the appeal for want of a substantial federal question. The appeal in *Hodge Drive-It-Yourself Company* v. *City of Cincinnati* was argued on November 30, 1931. After counsel for the appellant company had presented his case, the Court declined to hear further argument, which would seem to indicate that the appeal will be dismissed.

The Court for want of jurisdiction, dismissed an appeal taken from a decision of the Court of Civil Appeals (Fourth Supreme Judicial District) of Texas which held that a school board may segregate school children of Spanish and Mexican descent in a separate building apart from children of Anglo-Saxon parentage (*Salvatierra* v. *Independent School Districi*, 52 Sup. Ct. Rep. 28 [Adv.], 76 L. ed. 35 [Adv.]).

In regard to the case of *State of New Jersey* v. *City of New York*, 283 U. S. 473, noted at page 541 of the Review of September, 1931, the Court on December 7, entered a decree enjoining the city of New York from dumping any garbage or refuse into the ocean off the coast of New Jersey on and after June 1, 1933. The Court in confirming the report of the master appointed to take testimony, also made certain other recommendations in order that a minimum of refuse should be deposited into the sea in the meanwhile.

The case of *New State Ice Co.* v. *Liebmann*, 42 Fed. (2d) 913 (reviewed in the issue of May, 1931, page 297) in which the district court declared invalid a statute of Oklahoma providing that the manufacture and sale of ice was a public business and subjecting the sale of the same to license fees, was placed on the calendar of the Court as No. 463.

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Funeral Homes and Restricted Districts.—Police Power—Exclusion of Mortuaries from Restricted Districts.—The question of the power of prescribing districts from which mortuaries may be excluded continues to crop up in various states. The latest decision on this point is *State ex rel. Stephens* v. *Jacksonville*, 137 So. 149, in which the Supreme Court of Florida held that, while under the general zoning powers conferred upon it the city may exclude such establishments from restricted districts, the ordinance in question was invalid because the city officials had failed to comply with the provisions of the statute requiring the formulation of a comprehensive city plan by the local commission, to be advertised and open to public hearings before being acted upon by the mayor and city council. The court had previously held in *State* v. *Miami*, 134 So. 541 that under its general zoning powers the city could exclude such establishment from certain prescribed districts, basing its decision largely upon the case of *Tucson* v. *Arizona Mortuary*, 34 Ariz. 495, 272 Pac. 923.

In *Weinmann* v. *Miles*, 4 Pac. (2d) 437, the Supreme Court of Kansas upheld the granting of an injunction in an action brought by neighboring owners to enjoin the erection of a funeral home upon the finding of fact by the lower court that its maintenance would seriously impair the value of the adjacent property and would amount to a nuisance in fact.[1] Such remedy is always available at common law to abate any nuisance in fact, even when arising in connection with the operation of a legitimate business.

⁂

Lapse of Right to Non-Conforming Use.—ZONING—LOSS OF RIGHT TO NON-CONFORMING USE.—In *Town of Darien* v. *Webb*,[2] decided November 25, 1931, the Superior Court, Fairfield County, Connecticut, holds that by the abandonment of a non-conforming use for some fifteen months the owner of the premises loses the protection accorded him by the general zoning ordinance to a continuance of the former use, and that the town is entitled to an injunction against the resumption thereof. In the instant case, the property had been used for commercial purposes, but for some fifteen months was converted by the owner into a residence. The court bases its decision upon the principle set down in *Lathrop* v. *Northrop*, 111 Conn. 616, 151 Atl. 183, to the effect that while the continuance of a non-conforming use will be protected under the zoning laws, the purpose of the statute is to reduce all uses to conformity as soon as possible. Where the local ordinance makes the loss of the right to continue dependent upon an uninterrupted abandonment for the term of one year, the Connecticut courts have held that without a clear finding of disuse for that length of time, the right of the owner to such use is not lost (*Comstock* v. *New Britain*, 112 Conn. 25, 151 Atl. 335). The extent to which some courts have gone in strictly limiting the owner's right to a continuance in the same manner as formerly may be seen by reference to *Town of Lexington* v. *Bean* (Mass.) 172 N. E. 867, reported in the December, 1930, issue of this REVIEW.

The remedy by injunction to enforce compliance with zoning ordinances has been upheld in Connecticut not only at the suit of the public authorities but also of any person whose property would be injured by non-compliance with the statute (*Fitzgerald* v. *Menard Holding Co.*, 106 Conn. 475, 138 Atl. 483, 54 A. L. R. 361). In the recent case of *Greenwich Gas Co.* v. *Tuthill*, 113 Conn. 684, 155 Atl. 850, the Supreme Court of Errors held that property owners so interested may intervene as parties defendants in an action brought against the zoning board of appeals after refusal of a permit.

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Control of Subdivisions. — CITY PLANNING — CONDITIONS IMPOSED UPON RECORDING OF SUBDIVISION MAPS.—The important question of the extent of the power of a municipality to impose conditions upon the owners of subdivisions in recording plats was before the Supreme Court of New York, Westchester County, in *Re Lake Secor Development Co., Inc.*, 252 N. Y. S. 809. Under the New York statutes, planning boards of towns and villages are given the power to make reasonable requirements regarding streets, highways and parks in a new subdivision as a condition to the privilege of dedicating the same to the public and of filing the subdivision map. This power was fully sustained in *Village of Lynbrook* v. *Cadoo*, 252 N. Y. 308, 169 N. E. 394, reported in the April, 1930, issue of the REVIEW.

In the instant case the town planning board made the additional requirement that a water system be installed as a condition of approval of the map, relying upon the words of the statute which says that "the land shown on such plats shall be of such a character that it can be used for building purposes without danger to health." The court holds that this clause is not broad enough to justify the condition the local planning board sought to impose.

It is well recognized that some curb should be put upon subdivision owners that will obviate the possible liability of municipalities upon special assessment bonds for water and sewer purposes upon a later default of the owners of the property benefited. That such requirements may be imposed, where a statute gives the municipality the requisite authority, has been settled in Michigan in the case of *Allen* v. *Stockwell*, 210 Mich. 488, 178 N. W. 27. Statutory amendments conferring such power on municipal planning boards would go a long way toward obviating the financial embarrassment that now faces so many of our municipalities, which have had to default on special improvement bonds issued to assist in the development of outlying districts.

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[1] See in accord: Higgins v. Black, 213 Ala. 209, 104 So. 429; Tureman v. Kitterlin, 304 Mo. 221, 263 S. W. 202.

[2] We are indebted to C. B. Dana, chairman of the Darien Planning and Zoning Commission, for the advance opinion in this case.

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Extraterritorial Land Condemnation.—Eminent Domain — Condemnation of Extra-Mural Lands for Colored Bathing Beach Upheld.—In *Page* v. *Commonwealth ex rel. City of Norfolk*, 160 S. E. 33, the Supreme Court of Appeals of Virginia upholds the decision of the State Corporation Commission giving the city permission to condemn for a bathing beach for colored people property situated some two miles distant from the city boundaries. Full statutory authority existed to condemn extra-mural property for park purposes, but under the Virginia law condemnation of property belonging to a public utility corporation is subject to the approval of the state commission, to which the statute delegates the power to decide whether the retention of the property is necessary to carry out the public purposes to which the utility is devoted. In the instant case the owner and lessee, both railroad companies, consented to the condemnation. The plaintiff Page and other nearby property owners were given permission to intervene and prosecuted the appeal from the decision of the commission. The court holds that, whether as owners of adjoining property or as resident taxpayers of the city, the interest of the intervenors is too indirect and remote to include them within the "parties in interest" authorized to prosecute the appeal. The question of damages to their property must be raised elsewhere in an appropriate proceeding.

In its opinion the court calls attention to the state policy of segregation of the races and to the fact that public beaches have been set aside for the white population, and that the site selected, while in a sparsely settled section, is easily accessible for the large colored population of the city. Under the circumstances, the decision of the city council that the land is required for park purposes is approved, the court refusing to interfere with the conclusion of the city authorities and of the state commission.

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Independent Powers of School Boards Curbed in Wisconsin.— The School District as a Department of the City Government.—The status of school districts in cities of the second class was before the Supreme Court of Wisconsin in *State* v. *Racine*, 236 N. W. 553 and *Board of Education* v. *Racine*, 238 N. W. 413. In the former case, the board of education sought to compel the city council to authorize an issue of bonds for the erection of a new high school building. In deciding that the board could not maintain its action, the court defined the status of the school district as a mere department and the board in executing the duties imposed upon it as only an arm of the city government. All moneys collected for school taxes or from the sale of school property is subject to the control of the city council. In the latter case, the court holds that the interest on funds thus collected for school purposes goes into the general treasury of the city.

It appears that in the past no uniform system of school organization existed in Wisconsin, a state in which the courts lay peculiar stress upon the constitutional requirements of uniformity in municipal government (*In re Christoph*, 231 N. W. 134). Special city charters had specified various forms and methods for the administration of educational affairs. In Milwaukee, for example, the board of education was given the authority to fix the amount that should be raised by taxation for school purposes. But in *State* v. *Milwaukee*, 189 Wis. 84, 206 N. W. 210, the supreme court decided that the organization and administration of school matters was not a local affair within the scope of constitutional home rule powers. The subsequent legislation has been aimed at producing a more uniform organization in order to carry out a more consistent state policy. The construction now given to the statutes passed in 1929 indicates that the supreme court finds that the intent of the legislature is to avoid the setting up of independent school districts as state agencies and as far as practicable to leave the administration of school affairs to the local city governments.

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Strict Construction of Borrowing Powers.—Implied Powers—Issuance of Negotiable Bonds.—One of the most important recent decisions upon the question whether municipal corporations have the power to issue negotiable securities as incidental to the power to incur indebtedness, and whether, where such authority is given by statute, the securities must conform to the statutory requirements, was recently decided by the Supreme Court of Nebraska in *State ex rel. City of O'Neill* v. *Marsh*, 238 N. W. 760. The action was in mandamus to compel the state auditor to register some $7,000 of bonds issued by the city for the purchase of fire fighting equipment. Earlier decisions in Nebraska [1] had held that the power to issue bonds might be implied from the general power to incur indebtedness. But by section 17–441, Compiled Statutes, 1929, cities of the class to which the relator belongs were expressly given power to purchase fire extinguishing apparatus by the issuance of bonds within certain limits, upon vote of three-fifths of the electors at an election duly advertised, such bonds to be known as "water bonds" to run for twenty years with option of redemption after five years and to bear interest not to exceed six per cent. The court holds that the statute authorizing bonds to be thus issued negatives any finding of an implied power to issue bonds for any of the purposes mentioned in any other way.

From an early day the decisions upon the implied power of municipal corporations to issue negotiable securities where power to incur a debt is given have been conflicting in the various states.[2] Judge Dillon in *Gause* v. *Clarksville*, (1879) 5 Dill. 165, and in his treatise sponsored the view of strict construction, and the majority of the states now hold that the power to issue negotiable securities must be expressly conferred. The Supreme Court, however, has so far modified its position in this respect as to hold that an express power to issue bonds or certificates of indebtedness carries with it the implied power to make them negotiable (*Denver County Commissioners* v. *Home Savings Bank*, 236 U. S. 101). But the principle applied in the instant case that where the power is conferred statutory requirements as to the method of its exercise are limitations upon the power and must be strictly followed is universally accepted. The decision of the court therefore is consistent with its previous adjudications and would not seem to indicate that it will modify its rule of liberal construction in this respect, except so far as the above principle is applicable.

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Conditional Sales and Debt Restrictions.—PURCHASE OF UTILITY EQUIPMENT—CONDITIONAL SALES CONTRACTS.—A notable decision by the California District Court of Appeal, First District, Division 2, *Garrett* v. *Swanton*, 3 Pac. (2d) 1025, sustains a contract made by the city of Santa Cruz for the construction of a water plant and power house to be paid for in five annual installments solely from the revenue to be derived, title to remain in the vendors until payment of the final installment. The principal contention of the plaintiffs was that the sum total of the contract prices became an immediate obligation of the city, but the court held that under the contract the city assumed no obligation that would be payable from direct or indirect taxation and, therefore, the obligation did not come within the purview of the constitutional limitation upon the city's indebtedness.

It was further contended that the effect of the contract was to mortgage the water property and to hypothecate the revenue therefrom, which the charter forbids to be done except by vote of the people. To this contention the court answered that the ordinance of the city provides that the revenue of the water department may be used for the construction, improvement and extension of the system, and that the obligation to devote part of this fund to payment for the new equipment does not amount to a hypothecation of the same. It may be noted that no other questions of the power of the city to contract for the water equipment was involved and that the requirement as to competitive bidding had been fully complied with.

The Supreme Court of Georgia comes to a different conclusion in *Morton* v. *City of Waycross*, 160 S. E. 330. This was a taxpayer's action to enjoin the city from entering into a proposed contract with the Georgia Power and Light Company for a supply of electrical power for a period of five years and for electrical pumping equipment of an agreed value of $9,000. The city was to pay for the equipment by giving the company a monthly credit on its franchise tax of "fifty per cent of the saving effected by the operation with electric energy," calculated upon an estimated difference between the cost of pumping by steam power and the cost of pumping by electric power. In the meantime title was to be retained by the seller. Further, the city was to have the right upon ninety days' notice to cancel the agreement for service upon surrender of all moneys credited upon the purchase price, or upon payment in full for the equipment if it should elect to retain it.

The court holds that, although the title is to remain in the seller, the proposed contract is invalid as an attempt to evade the constitutional debt limitation and further because in violation of the statute requiring competitive bidding. The report of the case gives the text of the proposed contract in full and citations to other Georgia decisions involving similar questions.

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[1] State v. Babcock, 22 Neb. 614, 35 N. W. 941; State v. Babcock, 25 Neb. 278, 41 N. W. 155.

[2] Compare Ketchum v. Buffalo (1856) 14 N. Y. 356 and Hackettstown v. Swackhamer (1874) 37 N. J. L. 191.

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Suspension of Penal Ordinances During Litigation.—PENAL ORDINANCES—SUSPENSION OF OPERATION PENDING JUDICIAL DETERMINATION OF VALIDITY.—The Supreme Court of Kansas has had before it recently the important question of operation of penal ordinances enacted under the police power, pending the determination of litigation in which their validity is challenged. It is well settled that a police statute or ordinance relating to property rights may be adjudged invalid not only where no opportunity for judicial review is accorded but also where the penalties imposed are so large and unreasonable as practically to intimidate persons affected from litigating their rights (*Ex parte Young*, 209 U. S. 123; *Mo. Pac. Ry. Co.* v. *Tucker*, 230 U. S. 340). Especially is this true in a case in which the constitutionality of the act depends upon the determination of complicated facts by judicial inquiry. In such cases it is generally held that if the person aggrieved challenges the validity of the ordinance promptly and in good faith, a court of equity will grant an order restraining the enforcement of the penalty attached to the violation, at least until such time as the court may require to determine that issue.

After a court of competent jurisdiction has declared the ordinance to be valid and the restraining order has been vacated, the further question arises as to whether the city may proceed to collect the penalty for *ad interim* violations. In *City of Marysville* v. *Cities Service Oil Co.*, 3 Pac. (2d) 1060, the Supreme Court of Kansas answers this question in the negative and holds that the penalty clause imposed by the ordinance of 1923, requiring oil tanks to be placed below the surface, was suspended not only during the litigation prosecuted by the defendant, including the period for appeal after the trial court had adjudged the ordinance valid and vacated the injunction, but even thereafter pending determination of the same question in the federal courts in an action brought by other parties.[1] The position the court takes is that such must be the construction of the ordinance if it is to be held valid, that otherwise it would be unconstitutional as violating the due process guaranteed by the state and federal constitutions.

A similar question confronted the court in *Derby Oil Co.* v. *City of Oxford*, 4 Pac. (2d) 435, decided November 7, 1931, wherein the city had sought to enforce the penalties which would have accrued under an ordinance regulating the drilling for oil within the city limits.[2] In this case no injunction was sought by the defendant; but the plaintiff was found to have relied upon the promise of the mayor that, as other cases involving the validity of the ordinance were pending, it was not necessary for it to file a suit and that the city would not prosecute it for drilling while the matter was at issue before the courts. The penalty claimed covered some 2,000 counts with total fines of some $200,000 and the present suit was brought to enjoin the city from further prosecution of these claims. In reversing the judgment of the district court refusing the injunction, the supreme court holds that the company had a right to rely upon the promise of the mayor, acquiesced in by the city council, and that the city is now estopped to prosecute its action for the violations of the ordinance. Judge Harvey, concurring specially, bases his conclusion upon the fact that an injunction against the city's enforcement of the ordinance issued by the federal district court in the Marrs case may be invoked by the defendant as binding upon the city.

The majority of the court, however, as in the Marysville case, seem to take the position that the prosecution of an action to test the validity of such an ordinance will not only suspend *pendente lite* the enforcement of penalties for its infringement, but will preclude any action by the city thereafter to collect for any violation committed up to the time of final adjudication of the question by the court of last resort. The only precedents cited by the court for its extraordinary conclusion are cases holding that a court of equity may suspend the enforcement of penalties under similar ordinances until their validity is passed upon by a court of competent jurisdiction. If the doctrine of the instant cases is to be applied generally by the Kansas courts, the logical result will be to render ordinances, such as in these cases were upheld by all the inferior courts and finally adjudicated valid by the highest court of the land, practically unenforceable until after the occasion for their enactment has expired. Such now appears to be the law of Kansas, but we doubt that the courts of any other state will ever go to this length in thus limiting the exercise of the police power by its municipalities.

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[1] Standard Oil Co. v. City of Marysville, 279 U. S. 429 (1928). The opinion by Mr. Justice Stone may be found printed in full in the July, 1929, issue of this REVIEW.

[2] The ordinance is fully set forth in Marrs v. City of Oxford, 24 Fed. (2d) 541, affirmed in 32 Fed. (2d) 134, 67 A. L. R. 1366, certiorari denied, 280 U. S. 573. The decision of the district court was reviewed in the June, 1928, issue of the REVIEW.

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Recovery on Contractors' Bonds.—Contractors' Bonds—Recovery of Laborers and Materialmen on Public Bonds.—In a recent decision by Supreme Court Justice Untermeyer, *Van Clief & Sons, Inc.* v. *City of New York*, 141 Misc. 216, 252 N. Y. S. 402, the court refused to extend the application of *Johnson Service Co.* v. *E. H. Morris, Inc.*, 253 N. Y. 417, 171 N. E. 692, reported in the November, 1930, number of the Review, to allow a materialman to recover on a contractor's bond in the absence of the city joining in the prayer for relief. In each case, the action against the bonding company was brought in equity, making the city a party defendant, but in the Johnson case the city appeared and asked that the plaintiff be given equitable relief. The Court of Appeals in the latter case based its decision upon the equitable principle that although the plaintiff had no standing to recover at law as a third party beneficiary (*Fosmire* v. *National Surety Co.*, 229 N. Y. 44, 127 N. E. 472), nevertheless, the bond included an obligation to pay laborers and materialmen, which the city could enforce for their benefit. The instant case therefore raises a nice question of the extent to which the court intended to go in the Johnson case, a question which can be finally determined only by the Court of Appeals.

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Adoption of Legislative Charters.—Approval of Electors as Prerequisite to Their Operation.—The Court of Errors and Appeals of New Jersey in *McCarthy et al.* v. *Walter, et al.*, 156 Atl. 772, declared unconstitutional the legislation abolishing the offices of boulevard commissioners and of park commissioners of Hudson County, upon the ground that the statutes in question violate the constitutional provision adopted in 1875 (Const., Art. IV, §7, par. 11) against special legislation "regulating the internal affairs of towns and counties; appointing local officers or commissions to regulate municipal affairs." The purpose of the acts in question (chs. 260, 261, 262, Public Laws of 1930) ostensibly was to consolidate the two commissions but in effect to abolish the existing offices and to place the appointments to the new offices in the hands of the governor of the state.

The decision in the case involved several other questions of importance which we hope to have reviewed in a later number, only one of which we have space to take up at this time. Upon the question of the adoption of the provisions of a statute creating a municipal corporation by the electors of the locality, as exemplified in the leading cases of *Patterson* v. *Society*, 24 N. J. L. 385, decided in 1854, and *Attorney General* v. *McGuinness*, 78 N. J. L. 346, 75 Atl. 455, the court holds that such a referendum may be made only to the people of the community concerned and that no other will may intervene between the act of the legislature and the operation of the statute. A provision in a statute that the submission of a new charter to the electors is subject to the approval of the governing body of the municipality is declared to be an unconstitutional delegation of the legislative power. The court proceeds to explain that similar provisions in the "Road Acts," have been sustained only because the exceptions were administrative in character and the procedure had an approved standing long before the constitutional amendment was adopted. Notwithstanding the cogency of the reasoning of the court, it may be noted that three of the judges dissented from the conclusion of the majority.[1]

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[1] We are pleased to announce that Spaulding Frazer, Esq., editor of the legal department of *New Jersey Municipalities*, has consented to further discuss this important decision in our February number.

PUBLIC UTILITIES

EDITED BY JOHN BAUER *Director, American Public Utilities Bureau*

Look at Seattle.—If you want to know what is possible of accomplishment under public ownership and operation of electric systems, you must not overlook Seattle.

The enterprise was started at the beginning of the century. It was successful from the beginning, and has moved steadily forward, with plant extension, service improvements, and reductions in costs to the consumers. Its financial record is not equaled by any private company in any large city of the country which has not been forced to extraordinary economy through municipal competition.

The Seattle municipal plant has been in the exceptional position of having to win its way through competition with a private company which was already established when the public plant was launched. The Puget Sound Power and Light Company today has its distribution lines extending practically through every part of the city. Most of the consumers have the choice of taking company or city service. The municipal plant today serves about 80 per cent of the residential consumers, but less than half of the industrial users.

The striking financial results of the municipal system must be considered in the light of the competition that has existed throughout. While this has doubtless spurred the activity and efficiency of both managements, it has also imposed large double investments in distribution plant, double maintenance, and double operating expenses. If the city light department had a monopoly of the entire service, it could increase the volume of business greatly in relation to the investment and operation outlay, could effect large economies, and furnish service at even lower rates than those enjoyed by the people of Seattle.

Negotiations for the acquisition of the private system have been attempted, but an acceptable basis of purchase has not been reached.

PROSPERITY WITH COMPETITION

Incidentally, it may be mentioned, the private company has not failed to prosper against the municipal competition. It has advantages in dealing with industrial loads, including the deep antipathy of manufacturers against public ownership. From common reports it appears not always to have been overly scrupulous in its competitive efforts. It has apparently employed incessantly political power to restrain and defeat the purposes of the light department. The company has, however, prospered notwithstanding the municipal enterprise. And it has adopted mostly throughout the level of rates fixed by the city department. Hence one wonders why private companies in other cities without municipal competition, could not come to the same standards of service and rates as are enjoyed by the people of Seattle.

Perhaps the competitive pressure is necessary to produce effective economy. A private company, with monopoly, is almost certain to pile up unwarranted overheads, and will hardly keep down rates to the minimum costs necessary for adequate service. The commissions in dealing with rates elsewhere might well look to Seattle as a standard of what can be achieved if the management is devoted to efficiency of service rather than primarily to profits, direct and indirect, for the holding companies located in some distant metropolis.

In 1927, the Puget Sound Power and Light

Company was awarded the "Charles A. Coffin Medal" for "distinguished contribution to the development of electric light and power for the convenience of the public and the benefit of industry." Some of the newspapers and friends of the city department claimed that the real credit should go to the municipal plant which had pioneered in various service improvements, including particularly the introduction of electric ranges and fixing promotional schedules to make possible expensive domestic use of electricity. The fact that the company led all other private companies in progressive management indicates that perhaps much more public initiative and public consciousness would greatly stimulate the famous virtues of private initiative and rugged individualism.

OPERATING RESULTS

The crucial test of municipal operation appears in the operating results achieved under the rates charged for service. Rates, which will be discussed in some detail later, are among the lowest in the country, especially to the domestic consumers. The business organization of the light department is separate from other departments in the city. Its accounting and financial operations are distinct. It is financially self-sustaining. It must not only pay all its own operating costs, but is required to pay interest on bonds issued for plant purposes and must make provisions for bond retirement besides keeping the property in suitable operating condition.

For the year 1930, the department realized a net surplus of $1,124,549, above all operating costs, fixed charges, and special adjustments. The following is a summary of the income account for the year:

Operating revenues..........	$5,530,914.65
Operating expenses (including depreciation and miscellaneous operations)............	3,117,096.81
Net income available for fixed charges..................	2,413,817.41
Interest and other fixed charges	1,026,265.09
Surplus for the year.........	1,387,552.75
Miscellaneous surplus adjustments-net...............	263,003.82
et addition to surplus	1,124,548.93

This statement includes the full financial setup for the year. It shows a net addition to surplus of nearly $1,125,000, after the payment of all operating costs, including maintenance and depreciation, and after interest and other fixed charges on the investment. It is net profit for the year above all costs properly charged against operations. It goes either to the extension of properties or the retirement of bonds which must be paid out of surplus earnings of the department.

The operating expenses include an allowance of $713,301.35 for depreciation on top of actual maintenance. This sum is set aside for the ultimate retirement of large units of property. It indicates conservative financial policy, to include all costs which ultimately must be provided for to make the properties financially self-sustaining.

The operating account includes all cost elements which would have to be provided by a private company, except taxes. As to the latter item, the department does not incur costs which are imposed upon private companies and it has, to that extent, a competitive advantage. But, suppose it had paid taxes on the usual bases. The total would probably not have exceeded 10 per cent of the gross revenues and would thus have come to $553,000. If this amount had been paid in 1930, there would still have been a surplus of $670,000. And this would still have been an imposing record compared with private companies elsewhere.

The taxes should be considered, however, in terms of other services rendered to the city and the public. If only municipal street lighting is taken into account, the average cost to Seattle is less than 2 cents per kilowatt hour. The saving to the city on this item alone has been estimated at $375,000 a year, and is practically equivalent to the taxes that would be paid otherwise by a private company.

PLANT INVESTMENT

The financial results may be considered also from the standpoint of plant investment and the financing policy of the light department.

On December 31, 1930, the cost of all the physical properties used in the public service amounted to $47,475,295. This includes all the generating plants, transmission lines and the distribution system. In addition, there were current assets, special investments and funds, which altogether brought the total up to $55,901,004. These are gross figures, without deduction of depreciation reserve or surplus.

Against the total plant investment of $47,475,000, there are total bonds outstanding $32,545,000. There is an excess of plant cost over bonds, amounting to $14,930,000. This is represented in part by the depreciation reserve of $7,386,000 which has been accumulated out of past earnings and devoted to plant expansion or bond retirements. In addition, however, the plant has been built up, to a large extent, out of surplus earnings which have been devoted either directly to plant or to bond retirement. For the entire period of operation from 1905 to 1930 inclusive, the total surplus accumulated and devoted to plant purposes, amounts to $10,877,000.

A special financial feature that does not apply to private companies is the bond retirements out of earnings. While no direct charges to account are made for that purpose, the department must, nevertheless, project its financial planning so that it will have adequate funds, accumulated out of operations, to meet the various bond maturities. It cannot refund the bonds, or pay them out of construction funds. It is compelled, therefore, to build up a surplus and reserve sufficient to meet the retirements as they take place.

Up to the close of 1930, the department had issued a total of $39,339,000 bonds, had retired $6,794,000 and had still outstanding $32,545,000. But it had already set aside $1,230,000 for further redemption. The past accumulated surplus of $10,877,000 has not only taken care of all retirement provisions but has provided an excess of about $2,850,000 for other plant purposes. To the extent that plant is constructed out of surplus, subsequent bond retirements are avoided.

For the future, the problem of bond retirement is likely to be more burdensome than in the past. During recent years, large construction expenditures have been incurred in the development of the Skagit River hydroelectric project. This will require huge additional sums till final completion. Large new bond issues will be required to be retired out of earnings by the time of their maturity. This obligation is fixed by law, notwithstanding the fact that the properties must also be maintained and renewed out of earnings, and the further fact that the dams, power plant buildings, transmission lines, all the most costly units, will continue in service long after the bond retirements have been made.

Under these conditions, the department cannot furnish service merely at cost, including interest on capital, but it must collect a large enough profit to amortize the large investments that are being made in the properties for almost perpetual future service. No private company in the country faces such a financial responsibility. This certainly penalizes the municipal plant during a period of special development and subsequent amortization.

There is no sound financial reason why, to a considerable extent, refunding should not be allowed, especially when the capital expenditures are particularly large, and when they effect great operating economies and are instituted practically for permanent purposes. At least the period of amortization should be adjusted to meet the practical conditions to prevent burdensome charges against operation. After amortization is completed, the plant will stand in highly favorable condition to furnish low cost service thereafter, but during the period of amortization it is compelled to levy special profits upon the consumers to achieve the subsequent low cost status.

THE SKAGIT RIVER PROJECT

One of the remarkable hydroelectric undertakings in the country is the Skagit River development. This river system had long been recognized as the most favorable for electric development in the Northwest. It had earlier been acquired by private interests. The federal permits, however, had been allowed to lapse through failure of construction, and in 1917 the city took steps to supersede the private group. It was granted a permit on Christmas, 1918.

The department proceeded promptly with construction, and in September, 1924, placed in operation the Gorge power house. In the meanwhile, the further extension has been carried out. The total project when completed will provide an aggregate of 1,120,000 horse power and a total of 2,600,000,000 kilowatt hours a year. It will consist of three principal units. The first is the Gorge plant, which will have a total of 375,000 horse power, and has already installed and operating 75,000 horse power. It is connected with transmission lines with the city of Seattle, and is now the principal source of power for the department.

The second unit is the Diabolo plant, with a dam 189 feet high, a lake seven miles long, and a capacity 90,000 acre feet. It will have a capacity of 320,000 horse power. The dam is already completed, and the first half of the power house installation is to be finished in 1931. It is located seven miles up stream from the Gorge plant.

The third unit is the Ruby plant. It will be located six miles further upstream from the Diabolo. It will have a total capacity of 480,000 horse power, a lake 30 miles long extending several miles into Canada, and an aggregate of 3,000,000 acre feet of storage. The dam will be 610 feet high. The surveys were started in 1931, and construction will begin immediately after the Diabolo plant is in operation.

When the entire project is completed, the bulk of the water will be used three times for generation of electricity. The total cost has been estimated at about $75,000,000, including transmission lines and step-up transformer stations. This comes to about $67 per horse power, and will furnish exceptionally cheap electricity.

THE RATES

For the consumer, the ultimate test of any power system is the charge for service. The Seattle municipal plant has always charged lower rates, especially to domestic consumers, than private companies elsewhere.

The present residential rates were put into effect in 1923. They form a simple schedule, easily understood, subject to a minimum bill of 75 cents per month. The schedule is as follows for each customer:

The first 40 kilowatt hours per month	5.5 cents
For the next 200 kilowatt hours....	2.0 cents
For all above 240 kilowatt hours ...	1.0 cent

Much has been written and said during recent years by company officials and commissioners about promotional rates. Here is a schedule which has demonstrated its promotional effectiveness by actual results. Mostly, so far as private companies are concerned, there has been only aspirational language, with little progress to really promotional rates. The city light department first instituted such a schedule in 1915, when it fixed 2 cents per kilowatt hour for all current above 45 kilowatt hours. This was slightly increased to 2.5 cents in 1920, but was put to the present low levels in 1923 for the distinct purpose of stimulating domestic consumption. The effect of the rate policy on domestic use may be seen by the following comparative figures, which relate exclusively to residential consumers:

Year	Number consumers	Revenue from sales	Revenue per consumer	K.W.H. consumed	K.W.H. per consumer	Average revenue per K.W.H.	Number ranges	Water heaters
1915.....	35,170	$430,691	$12.25	7,852,554	223	5.5¢	179	....
1920.....	58,805	992,697	16.88	21,997,324	374	4.5	1,310	....
1925.....	73,481	1,421,790	19.35	39,551,297	538	3.4	7,721	....
1926.....	75,103	1,679,841	22.37	51,042,803	680	3.3	11,127	3,991
1927.....	77,863	1,942,730	24.95	64,082,748	823	3.0	14,764	5,021
1928.....	80,540	2,187,716	27.16	74,522,610	925	2.9	18,663	6,124
1929.....	82,839	2,432,682	29.37	84,250,115	1,017	2.9	21,389	7,108
1930.....	83,318	2,510,101	30.13	88,601,328	1,063	2.8	23,401	7,948

This table shows the development for a fifteen-year period. Considered from every standpoint, the progress made has been amazing compared with normal company accomplishments. The total revenues have increased nearly sixfold. The average revenue per customer has advanced nearly 150 per cent, notwithstanding a decrease in average revenue per kilowatt hour from 5.5 cents to 2.8 cents. The aggregate consumption increased 11.4 times.

Consider the difference between the bills to the Seattle and the New York City customers:

	Seattle	*New York*
40 kilowatt hours per month................	$2.20	$2.55
100 kilowatt hours per month................	3.40	5.55
240 kilowatt hours per month................	6.40	12.55
500 kilowatt hours per month...............	8.80	25.55

The ordinary user in New York City pays 25 cents per month more than the corresponding user in Seattle. But, for the larger consumption, the difference in bills becomes glaring.

To a large extent the accomplishments of the Seattle municipal light plant are the achievements of Superintendent J. D. Ross.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER ⸍ *Virginia Bureau of Public Administration*

The Training of Belgian Local Officials.—The International Congress of Local Authorities has considered previously on several different occasions the question of the retirement and training of local government officers. The question was discussed in the Brussels congresses of 1910 and 1923 and again recurred at Madrid only last year.[1] The London congress of 1932 is scheduled again to consider the general problem of local government personnel.

M. Max Fauconnier has prepared the report on the local government employees of Belgium.[2] The kingdom has an area of 11,752 square miles and a population of approximately eight millions. This area is subdivided for governmental purposes into 2,638 communes whose populations are as follows:

Population	*Number of Communes*
100,000 and over	5
25,000 to 100,000	26
5,000 to 25,000	246
2,000 to 5,000	497
Less than 2,000	1,864
	2,638

While the communes are theoretically supposed to be vested with a certain autonomous jurisdiction within which they are self-determining, this independence is in reality very nominal, due to the extensive and complicated system of provisional orders and of local acts which require the confirmation of provincial and state governments. Generally speaking, however, except for certain very broad legal requirements, the designation and regulation of municipal employees and functionaries is left entirely to the local council. It is hence somewhat difficult, due to the great variation in municipal personnel methods and municipal functions as well as to the great variation of the area and population of the communes themselves, to generalize about communal personnel technique.

The powers of Belgian communes are numerous and of various sorts. Fundamentally their major functions relate to general welfare, the civil service, the police, the militia, public instruction and highways. In the exercise of all of these functions and powers the local governments operate, however, under numerous restrictory laws relating to such matters as finance, public assistance, social works, infant welfare, old age pensions, unemployment, etc., as well as statutes regulating electoral affairs and diverse industrial, agricultural and transportation orders and decrees.

It is apparent that for the proper performance of these functions people with various sorts of training must be drawn into the communal personnel. Too, the problem of the small commune indicates the necessity for an official broadly trained and qualified in the elementary functions which such governmental units perform. While it is true that in the small communes the regular intervention of the commissioner of *arrondissement* serves as a check upon inadequately trained local personnel, it is equally true that the functions of the commissioner are only supervisory and not supplementary. Generally speaking, the secretary of the commune has come to occupy a position somewhat analogous to that of the English town clerk, and in the smaller communes is frequently the only official of any administrative importance.

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[1] For a translation of the "Conclusions" of the Madrid Congress in 1930, see this Review, Vol. 20, p. 547 (Sept., 1931).

[2] Summarized from *L'Administration Locale*, September, 1931.

RECRUITMENT

Conformably to Articles 78 and 84 of the Municipal Law of March 30, 1836, the nomination of municipal employees is a function of the council, although this function may be delegated to the burgomaster and his assistants in their collegial capacity. Likewise the suspension of municipal employees and the revocation of their appointments is a function of the council, but must receive the approval of the permanent deputation with final recourse to the Crown. The same approbation is required for the nomination, the suspension, or the discharge of at least two communal officials (as distinct from employees), the secretary of the commune, and the communal receiver, who is the principle local fiscal officer. A law of July 30, 1903, granted further to local employees stability of tenure, and a later law of 1909 extended these grants to the non-governmental local workers.

It is thus possible to say that in Belgium the commune exercises complete freedom in determining the conditions of recruitment and advancement of local employees. In the smaller communes of course the problem of employing a secretary and one or two assistants presents no difficulty. It is in fact the general practice to designate local educators or prelates to this post. In the larger cities the multiplication of administrative posts to be filled together with the additional technical qualifications which the functional complexity of the large city demands create an acute problem in the technique of personnel recruitment.

Partially to set up preliminary eliminating standards the practice generally is to require the submission of a certificate of elementary studies as well as a diploma of intermediate studies (*degré inférieur*, which is received after three or four years of study in an intermediate school) or a certificate of intermediate studies (*dégre supérieur*, which is granted after six or seven years study in a lycée or college). More generally, however, the candidates are given, after application for particular posts advertised as vacant, examinations covering the specific studies which they certify, augmented by interrogation on constitutional law, as well as the provincial and communal statutes of Belgium.

The normal age of admission is generally fixed at around the twentieth year, after the completion of the period of compulsory military service. A maximum age limit for entrance is not infrequently fixed at between twenty-five and thirty years or slightly higher.[1] The placement of employees thus inducted into the service is admittedly wholly without method and involves a high degree of hazard in locating civil servants in a manner best suited to their individual aptitudes and likings.

ADVANCEMENT

The municipal employee is usually admitted to the service after a provisional nomination. Two or more years of satisfactory service generally are necessary to make this appointment final. According to M. Fauconnier if the novitiate is so fortunate as to be properly placed and if he displays ability and adaptability, his promotion may be as rapid as his immediate superiors will permit. This advancement usually consists of a gradual and orderly passage by a series of hierarchic grades. This is to say that the employee goes from a third class secretaryship or clerkship to the second and then to the first classes and thence to the directorate of a service, then to under secretary and secretary for a bureau, to chief of a division and from there perhaps to a secretaryship of a commune or an analogous administrative post. This mode of progression is, of course, subject to many variations and exceptions as between communes and as between services within the commune.

M. Fauconnier notes that there are two fundamental principles governing advancement, and that these operate either alone or conjointly. The first is seniority and the second is discrimination. M. Fauconnier does not discuss the relative merits of seniority promotion or promotion on the approval of the superior officer other than indicating that both have substantial points in their favor, but that promotion on bases other than seniority require for proper operation a methodology which has not yet been developed in Belgium. He points out that there are numerous conditions and formalities operating to make any system of merit advancement difficult. For example, in numerous cases the nomination for a post superior to that in which he is then serving, and particularly in cases which involve a change in the grade of his commission, such as from a service secretaryship to an under secretary or a chief of bureau, is not accorded to candidates until after they have served at least ten years in the grade immediately inferior. This in itself virtually enforces a system of seniority promotion. He believes, furthermore, that the various guarantees adopted by municipalities for their employees in service tend to discourage potential future candidates. It is interesting to note that for advancement purposes the certifications of studies, particularly in administrative law, are generally supplemented by special examinations and that not infrequently posts are filled and eligibility is determined, if other things are equal, by the showing of the candidate in his examinations. In recent years the tendency of these special examinations has been in the direction of a more general testing of the candidate's knowledge and background rather than his acquaintance with the details of the law requisite to the satisfactory day-to-day performance of his immediate task, although here as elsewhere generalizations are somewhat perilous. The special difficulties which alterations in advancement policy encounter from the employees is discussed in some detail. It would be virtually impossible, in the opinion of the *rapporteur*, to change overnight from a policy of advancement based wholly or primarily upon seniority to advancement contingent upon examination, etc. He believes, however, that over a considerable period of time it would be possible definitely to alter the present promotion policy and gradually to install a system of promotion entirely contingent upon ability, service records, and examination for additional technical qualifications.

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[1] Under the terms of a law of August 3, 1919, however, an ex-soldier may demand a waiver of this requirement up to an excess age of five years.

APPRENTICESHIP AND PROFESSIONAL TRAINING

The *rapporteur* is particularly incisive in his criticisms of methods for so-called "improvement-in-service" in the Belgian local administration. While there is definitely a tradition of apprenticeship, again analogous to the English local government service, he considers the training which apprenticeship gives wholly unsatisfactory except in the relatively small commune. The reasons for this are somewhat obvious. In the smaller commune the apprentice carries on his work constantly under the supervision of the communal secretary. This enables him to secure a view of the local administration in its entirety—to recognize the interrelationship of the entirety of the functional services. In the larger commune, says M. Fauconnier, these favorable conditions do not prevail. The candidate is assigned immediately to a highly specialized service, his attention is directed to a very limited number of objects, and the unity of the ensemble of the city's work is made impossible of realization by the beginning employee.

Because of the entirely haphazard methods of placement which have been noted above, the training in the larger communes, because it does not offer a period of general experience upon the basis of which a satisfactory selection of the special field might be made, is responsible for many separations from the service, and for not a few definite maladjustments even when connection with the local government service is maintained. At the same time economic considerations probably do not justify the extension of a sort of general apprenticeship to the various classes of minor employees.

While the *rapporteur* is not too definite in his solution of these difficulties he argues brilliantly for requiring a broader acquaintance with the theory and practice of public administration in all levels of the local personnel. He suggests also frequent conferences of employees, as well as the institution of special administrative courses for local employees.

This latter suggestion is in accord with developments in Belgium at the present time. Seven provinces now offer instruction of this sort under one designation or another. Hainaut was the first, having instituted instruction in administrative sciences and law as early as 1914, and its example has been followed by the provinces of Antwerp, Brabant, Eastern Flanders, Western Flanders, Liége, and Namur.

These courses in administration are organized on a very elaborate and somewhat complicated scale. They are under the direction usually of one of the under-secretaries of the province and are decentralized under the chiefs of *arrondissement* accordingly as the number of employees desiring to participate in them justifies this measure. The professors are generally communal functionaries—practicing specialists.

NOTES AND EVENTS

Bi-partisan Judiciary Deal in Brooklyn.—Recent scandals affecting the minor judiciaries in New York City have stimulated interest in the problems relating to the selection of judges and the responsibility of the bar associations concerning these selections. To this has now been added a chapter on the workings of the bi-party system in the election of judges.

For several years the bar associations of Brooklyn and the rest of Long Island and Staten Island, which constitute the second judiciary department in New York, had been clamoring for more judges for the Supreme Court—the court of first instance—in their department. It could not be denied that calendars were badly congested, though some dared to point out that if judges sat more regularly, arrived in court more promptly, conducted judiciary business more efficiently, and took less generous vacations, this congestion would disappear—none the less, there was a substantial general demand for several new judges.

The Republicans controlled the state legislature, but were dominant in only two of the five counties involved. On a general ticket it was clear that the Democrats could have elected their entire state.

The Republicans were unwilling to authorize any new judgeships unless they were assured of one or two places for their party. Unable to agree upon a proper division of four places, party leaders thought they might solve their difficulties by creating six, but the difficulties persisted, and the number was increased to ten. At length they compromised upon twelve, of whom the Republicans were to name four.

That a deal had been reached no one could or did doubt when the bill was finally passed. Even Governor Roosevelt, in signing the bill, alluded to the rumors concerning a deal, and remarked that that was a phase for the electors to deal with.

Thus the matter rested from the signing of the bill until the eve of the judiciary convention in September. Then was spread that Boss McCooey, of Brooklyn, had in mind to pick for one of the Democratic places his 31-year-old son, who had never held public office and could hardly be said to have distinguished himself at the bar.

So preposterous was this suggestion that few were disposed to take it seriously. The Boss kept his own counsel, and the names he had selected were not announced until a few minutes before they were offered to the convention. The Democratic convention, which met first, took the slate which McCooey gave it, including the name of his son, and four Republicans. The Republican convention, meeting the next day, placed the same names in nomination. A storm of public protest gathered at once. Four of the persons who had assisted the legislation in its passage through the legislature were named as beneficiaries under it. These included the former Republican leader of Brooklyn, the county chairman of Kings County, the Republican leader of Suffolk County, and Boss McCooey in in the person of his son.

Indignant opponents of this arrogant action sought to put an independent ticket in the field. They were able finally to muster four lawyers, satisfactory in competence and experience, but hardly to be called outstanding. They were offered as the "square deal" ticket. The committee on courts of the Brooklyn Bar Association condemned the deal which the Republican and Democratic leaders had made, and refused particularly to approve the candidacy of the youthful McCooey. The membership of the body, however, not only repudiated its committee, but actually adopted resolutions extolling McCooey's fitness. Such is his father's power.

The "square deal" candidates fought gamely in the up-hill contest, unquestionably handicapped by the universal conviction that they hadn't a chance. The public was more than a little confused as to the reason why indignation was expected of it, because of emphasis placed in the past upon bi-partisan endorsement of sitting judges, and because such inter-party deals are far from uncommon.

The independent nominees received less than 100,000 votes in a total of 788,475 cast. The only other noteworthy circumstance in connection with the balloting was the fact that McCooey's boy, though placed at the very head of the ballot, ran poorest. One may wonder if a governor, however partisan, would have dared to take the responsibility for appointing so obviously political a group of judges to the bench.

JOSEPH D. MCGOLDRICK.

⁂

New York Cities Organize Purchasing Service.—When a city or first-class village in New York state now purchases a quantity of supplies, the purchasing official of every other city and village knows within a month the quantity and quality purchased and the unit price paid. This new municipal purchasing service, the first of its kind ever attempted by municipalities, is being carried on under the direction of the New York State Conference of Mayors and Other Municipal Officials. The details of the new service were formulated by a committee of municipal purchasing officials consisting of Norman C. Sprickman, Buffalo; August Smingler, Syracuse; Wendell E. Andrews, Rochester; Harold Evans, Watertown.

In this service, inaugurated on December 1, the Mayors' Conference is sending to the purchasing official of each city and first-class village a blank form on which is listed about one hundred supplies and materials which all municipalities ordinarily purchase in the course of a year. The official reports on this form the quality and quantity of all the listed articles which his municipality purchased during the previous month, and the unit prices paid. He returns the report to the Conference not later than the tenth of each month. All data received are compiled and a confidential report mailed to each purchasing official not later than the fifteenth of each month.

In its announcement to the municipalities of the new service, the Mayors' Conference said, "Owing to the difficulty of reporting the exact quality of the products purchased or the detailed specifications under which the purchases were made, the unit prices paid will not indicate the purchasing efficiency of the municipalities. There are also other factors, such as accessibility, condition of market, freight rates, etc., which cannot be indicated, but which greatly influence unit prices. The information, however, will be of great value to every purchasing official.

"The reports will keep each city and village informed every month of the municipal purchases of all the other municipalities. With this information each purchasing official can check his work, possibly learn where he can obtain better prices or markets and prevent being imposed upon. This service should eventually make all of the cities and first class villages in effect a single purchasing unit with its resulting benefits."

ALBERT H. HALL.

⁂

Cincinnati's New Waste Collection and Disposal System Saves $100,000 per year.—In 1931 Cincinnati inaugurated a new waste collection and disposal system, having several outstanding features of general interest. Under the new plan the city will collect and dispose of all household refuse including garbage. Previously the latter service had been handled by a private concern under contract. Improved service features include front house line collection instead of curb service, the elimination of many dumps and dump fires, and a less offensive and more sanitary method of collection and disposal with no increase in cost.

Three incinerators for the disposal of combustible wastes have been constructed, having a combined capacity of five hundred tons per twenty-four hours. The plants are so located as to minimize the cost of collection transportation which constitutes the greater proportion of a city's total expenditures for this service. District garages for storing and repairing equipment adjoin the incinerators. A system of dispatching equipment is being evolved which will provide the most economical and efficient collection service possible.

Despite its added service features, the operating cost of the new plan is essentially the same as under the previous system. It is an accepted fact that a renewal of the contract for garbage collection and disposal would have cost the city at least $100,000 more than the present operating costs.

It was necessary to provide additional motor transportation facilities when the city assumed this new responsibility. A survey made of the peculiar collection problems existing in Cincinnati revealed the desirability of particular types of equipment to meet the various problems presented by the topography and general physical characteristics of the city. For instance, trailer trains were designated as the most effective transportation medium in congested districts of level topography. These trains are limited by law to two tractors each and are hauled, in most cases, by a small tractor mounted on pneumatic tires.

In other localities semi-trailers, designed according to the city's suggestions, have been used with great success. The body of this unit is similar in design to the trailer equipment. Each body has a water level capacity of nine cubic yards and a loading height of five feet ten inches. It is of the side dump type and attached to the power unit by a fifth wheel attachment. The complete unit is mounted on pneumatic tires and equipped with air brakes. Each semi-trailer can draw an additional trailer which is attached by a "pintle hook."

The third type of equipment purchased was a truck with special body constructed according to our specifications. The body has an eight-cubic-yard water level capacity and a loading height of five feet ten inches. Trucks are essential on the hills of the city, especially during the winter months.

The transition from the old scheme of collection to the new was effected with very little trouble despite the fact that it occurred at a peak load period.

⁂

Pittsburgh Indicts Treasury Officials.—Two responsible officials of the treasurer's office of the city of Pittsburgh have been indicted for embezzlement of city funds and others may follow (December 10). It is reported that a shortage of some $75,000 has been discovered by the controller's auditors, who have been at work several weeks on the treasury books. Early in their investigation, City Treasurer Schooley was suspended and later dismissed by Mayor Kline. This is the second time since February, 1931, that the dismissal of a department head has been forced by the discovery of irregularities in his department. As in the department of supplies, and to some extent in the department of public works, loose administrative practices have allowed the unprincipled to profit and have made it difficult for the conscientious and the competent to perform meritorious public service. The fact of more than passing significance is that the departments of supplies and of public works have already effected important changes in administrative methods, and that the treasurer's department is soon to follow.

Elbert Eibling.

⁂

Disputed Voting Machines Approved in Pennsylvania.—After several tests and retests the new Poole voting machine has been finally certified by the secretary of commonwealth of Pennsylvania, not, however, without recommending alterations in the machine. A taxpayer's suit to prevent the final payment of $410,000 on the 1,100 machines purchased for use in Allegheny County was withdrawn after the manufacturer agreed to post adequate bond that the several changes recommended by the state would be made.

Elbert Eibling.

⁂

Michigan Begins Survey of Local Government.—The Michigan State Commission of Inquiry into County, Township and School District Government has arranged with Lent D. Upson, director of the Detroit Bureau of Governmental Research, to be in charge of this study. The report must be submitted to the state legislature at its session beginning in January, 1933.

The University of Michigan and Michigan State College are joining with the Detroit Bureau of Governmental Research in supplementing the appropriation for the survey made by the state government.

Professors Thomas H. Reed, E. R. Sunderland and John Sundwall of the University of Michigan, and Professors P. A. Herbert and F. M. Thrun, of Michigan State College, are serving as an advisory committee to the director.

⁂

Administrative Code Approved by Maine Voters.—On November 9 the voters of Maine accepted the Administrative Code Act at a special referendum election. Though the total votes cast numbered about one-fourth as many as in general elections, the majority in favor of the code was substantially larger than had been generally expected. The governor will soon appoint heads for three new departments, and the reorganization of five departments will take effect early in 1932. While the present governor, William Tudor Gardiner, will serve for another year, he naturally hopes his successor will be favorable to the new plan.

E. F. Dow.

✠

Cleveland Voters Veto Municipal Light Bonds.—A reversal of public opinion toward the Cleveland Municipal Light Plant was recorded at the November election, when the electorate rejected a bond issue of $2,500,000 for the expansion of the plant. Out of a total vote in the city of 164,516, the vote on the bonds was 135,543 while the vote on the charter which abolished the city manager plan in favor of the elected mayor was only 113,379.

Over a long period of years previous bond issues for the plant have passed without exception, receiving in each instance 60 per cent or more of the total votes cast. The vote this time was 73,128 for and 62,415 against the bonds or about 8,000 votes short of the required 60 per cent majority.

The change in sentiment toward municipal ownership and operation of electric utility service in Cleveland is due primarily, first to a better understanding by the voters of the politics and economics of this municipal utility venture; second to the fact that the plant serves only a small minority of homes and has not provided any such thing as three-cent domestic light in Cleveland since 1921 and, finally, the fact that the plant has failed as a rate regulator of the private company which is not only well managed but also has the confidence of the public and serves five-sixths of the light and power consumers of the city at lower average unit rates.

Since 1919, at least, the Cleveland Electric Illuminating Company has served as a rate regulator for its municipal competitor. The company has made a half a dozen voluntary rate reductions which brought its charges to various classes of consumers below the municipal rates. In every such instance the municipality was forced to reduce its rates to hold its business.

The private company has taken the initiative in rate reductions despite the fact that it pays twelve cents out of every dollar of revenue into the public treasury as taxes, while the municipal plant is tax-exempt. The sixteen-year record of the municipal plant shows that it could not have continued in business if it had been obliged to pay taxes. And the public now knows that some one has to pay these taxes.

The bond issue aroused added opposition because it carried with it a tax levy for 15 years, as required by law, to pay the principal and interest on the bonds. Proponents of the bond issue claimed that these charges would be paid out of earnings, but it appeared that the present plant is not overloaded, and there is little prospect that it will be in the near future. The voters did not seem to believe that light plant expansion would be self-supporting.

The *Cleveland Plain Dealer* and the *Press* warmly approved the issue while it was opposed by the *News*, the Chamber of Commerce, the Building Owners and Managers Association, the Apartment Owners Association, the Association for Retrenchment of Public Expenditures and taxpayers generally. The president of the private company also sent a communication to his own customers calling attention to competition by a tax-free municipal plant as unfair not only to the company but to its customers and all taxpayers.

Howell Wright.

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Extent, Costs and Significance of Public Employment in the United States

• • • WILLIAM E. MOSHER
• • • SOPHIE POLAH

School of Citizenship and Public Affairs
Syracuse University

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PREFACE

THE following study of public employment, salary payments and operating budgets of all public authorities was begun in 1927. In the absence of a systematic method of public reporting on the one hand and of necessary local records in many jurisdictions on the other, the investigation was beset with many obstacles. Frequently local investigators had to be discovered at long range. Since competency and ability to unearth information that may or may not have been recorded, were requisite qualities, this proved to be no simple task. If it had not been for the coöperation of various public officials, university professors, graduate students and research agencies scattered about the country, the undertaking would necessarily have been given up. Grateful appreciation of their coöperation is expressed at this point. The names of coöperating individuals and organizations will be found in the Appendix.

We would also acknowledge our obligation to Mrs. Marguerite Hartman and Mrs. Margaret B. Jenness, both of whom assisted in following up leads and compiling returns.

WILLIAM E. MOSHER.
SOPHIE POLAH.

TABLE OF CONTENTS

PAGE

PREFACE

PUBLIC EMPLOYEES AND COMPENSATION 51

Employees, Compensation and Operating Budgets in

- I. Federal Government 54
- II. The States 55
- III. The Counties 58
- IV. The Cities, Towns and Incorporated Villages 64
- V. Public School Systems 68

CONCLUSION 69

APPENDIX 73

Public Employment in the United States

MORE than 3,500,000 full and part-time governmental employees receive $2,600,000,000 annually in salaries and wages

WILLIAM E. MOSHER
SOPHIE POLAH

School of Citizenship and Public Affairs, Syracuse University

IN SPITE of the uninterrupted expansion and growing importance of governmental activities and the consequent increase of those engaged in the public service, there seems to be but little appreciation of the rôle played by governmental employees in modern life and practically no social prestige attaching to the status of those who have entered upon a public career. In fact there are no countries of the rank and character of the United States where public servants enjoy so little prestige as in this country.[1] As a consequence comparatively few of the abler young men or women look forward to a career in public employment. Almost no systematic instruction for such a career is offered in our higher educational institutions. Vocational advisers, college deans and similar officials, rarely direct the attention of the young people coming under their influence to opportunities for satisfactory life-work in the employ of public agencies.

Inasmuch as the public either through direct taxation or by private gifts supports the schools, colleges and universities, it is reasonable to expect that they should be mobilized to train on the one hand and to stimulate on the other a fair quota of their abler graduates in the direction of a public career, particularly in view of the far-flung and essential activities carried on by modern government in its various ramifications. We have here the paradox of intricate and challenging administrative problems whose solutions depend on the abilities of a personnel of largely a mediocre character. That there are exceptions and notable exceptions to this generalization is readily granted. But in the main those who are recruited into the governmental service are of mediocre caliber and, as is well known, it is the character of the recruits which determines the quality of the work in any type of occupation.

One measure of the significance of governmental service is the number of those who are on the public payrolls, whether on a part or a full-time basis, and also the percentage of public expenditures which are chargeable to the item of compensation. This investigation aims to bring together data which will serve as a basis for estimating these facts and incidentally for correcting previous estimates which, so far as the number of employees goes, have varied by as much as one to two and one-half millions.

The proportions of the task will become apparent when it is considered that there are apart from the federal and the forty-eight state governments, 3,054 counties, 16,691 cities and incorporated towns and eight real or virtual city-county consolidations. When it is further considered that there is in the main no uniform reporting system and, indeed, in the majority of cases no reporting system at all, the difficulties of arriving at a satisfactory estimate will be evident.

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[1] White, Leonard, *Prestige in Public Employment*, University of Chicago Press.

The jurisdictions included are: (1) Federal government, (2) states, (3) counties, (4) incorporated towns[1] and cities, and (5) public school systems.

SOURCES

The sources used consist of a considerable number of field investigations carried on by bureaus of municipal and state research, college instructors, graduate students, financial officials of various units and special assistants. Their findings were checked against published budgets, annual reports and census figures. In the absence of field investigations recourse was taken to published documents. Finally, when neither of these sources were available, class averages were applied to the units not otherwise covered, the classification being determined on a population and a regional basis. The shortcomings of the investigation are chargeable to the necessity of applying averages, particularly to the counties and small cities and towns. For example, returns on full-time employees were secured from 130 counties and operating budgets from 196 of a total 3,054 counties. But the distribution was fairly representative, as the counties were divided, first, according to metropolitan, urban and rural classes and, second, on the following regional basis: New England, North Central, South Central and Southern together with Far Western.

Various methods of making estimates for unreported units were tested on the basis of correlation charts, although correlation coefficients were not computed for all methods. The one adopted for towns and cities gave a coefficient of .99 which seemed sufficiently high to warrant its adoption.

In spite of the inadequate data for the two categories named it is believed that the estimates are based on a broader amount of factual data than has been used in setting up earlier estimates.

Table I gives a summary of the number of jurisdictions upon which the estimates were based as well as the total number of governmental units in the various categories.

Most of the data were reported for the calendar year 1926 or the fiscal year 1926–27. Since the compilations in some cases were for the year 1927 it was considered necessary to reduce them to a 1926 basis. This was done by the use of the 1926 population figures as estimated by the census bureau. In the case of the federal government, however, the 1927 figures were accepted without change. Information on the basis desired for the year 1926 was not available.

DEFINITIONS

The investigation aimed to bring together the number of full and part-time employees, the total amount of expenditures chargeable to compensation and the total amount of the operating budgets. Except in the case of the federal government the school and educational data on personnel and budgets were dealt with separately.

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[1] All towns in Massachusetts, Rhode Island and New Hampshire, with a population of 2,500 and over, were included, whether incorporated or not. Other unincorporated towns and townships were omitted (1) because of the practical impossibility of securing sufficient data and (2) because most of the officials work on a part-time basis and are often paid by fees which are customarily not reported and not available even through personal interviews.

Full-time employees were considered to be such as were regularly employed throughout the year on a full-time basis. *Part-time workers* were such as received some compensation from public employment, whether regularly or occasionally employed. This group included, for instance, seasonal laborers in the highway or street department, councilmen in the city council, supervisors in the county government as well as legislators in the state legislative bodies.

TABLE I

Number of Governmental Units Supplying Data on which Study was Based and Total Number of Units by Population and Geographical Classification

Jurisdiction	Number of full-time employees	Total compensation full- and part-time employees	Operating budget	Actual number of governmental units in 1926
Federal	1	1	1	1
State				
General Administration	43	44	48	48
Education	37	42	48	48
County	130	153	196	3,043
Metropolitan	28	42	48	60
New England	3	4	5	10
North Central	10	13	16	16
South Central	7	15	16	18
South and Far West	8	11	11	16
Urban	54	61	82	836
New England	4	6	6	40
North Central	9	9	12	181
South Central	20	23	33	288
South and Far West	21	23	31	327
Rural	48	50	66	2,147
New England	4	4	5	17
North Central	4	4	6	230
South Central	17	18	22	618
South and Far West	23	24	33	1,282
County and City Consolidations	8	8	8	8
Towns and Cities	302	312	302	16,691
500,000 and over	7	7	8	8
250,000–499,999	14	14	14	14
100,000–249,999	34	33	33	53
50,000– 99,999	22	21	23	90
30,000– 49,999	12	13	13	115
10,000– 29,999	39	42	40	575
5,000– 9,999	22	22	21	795
2,500– 4,999	34	37	36	1,451
New England	5	5	5	
North Central	3	6	4	
South Central	8	8	8	
South and Far West	18	18	19	
Under 2,500	118	123	114	13,590
New England	26	26	26	
North Central	10	17	9	
South Central	40	40	39	
South and Far West	42	40	40	

It was attempted to provide an accurate basis for dealing with the information on part-time workers by getting reports as to the number of "man-days" employed during the year covered. Although certain returns included this information, the total amount reported was insufficient to be of practical use. The number of part-time workers was therefore necessarily omitted.

Although an effort was made to secure information as to the compensation paid full-time and part-time personnel this proved to be unfeasible, so that the salary and wage data are lumped for the two groups.

It should also be noted that fees received by public officials, *i.e.*, such as were not paid directly from public funds, were not included. Wages paid to employees of private contractors carrying on public work were also eliminated. Finally, payments on account of pensions were not taken into account as a part of the compensation; they were included however in the operating budgets of all units except the federal government and excluded here because of the large amount ($690,014,692) most of which is due to pension payments to war veterans.

In securing *operating budgets* investigators were instructed to eliminate debt payments and capital expenditures of all sorts. This policy was adopted in the thought that more comparable data would be secured because the survey covered only a single year which in many cases would not be at all representative of the money regularly spent and the personnel regularly on the public payroll. It is conceivable, for example, that some jurisdictions might have a major construction program under way in the year studied, while in others there might be an unusual lull in their construction program. Again some cities carry on their own building while others regularly let it out on a contract basis.

In view of the extensive use of subsidies and grants-in-aid and the evident necessity of avoiding duplications under the heading of operating budgets such subsidies were credited to the spending unit and subtracted from the budgets of the superior jurisdiction from which the funds were derived.

The data will now be presented under the following headings: I. Federal Government; II. States; III. Counties; IV. Towns and Cities; V. Public School Systems and Education; VI. Summary.

I. FEDERAL GOVERNMENT

The total expenditures of the federal government for 1927 amounted to $4,531,502,219.[1] In order to determine the amount of operating expenses, according to the definition adopted for the purpose of this investigation, it was necessary to deduct the following items:

Debt retirement and investments	$1,134,809,383
Interest and premiums on debt	794,130,822
Grants-in-aid, and surrender of income to states, etc	114,299,231
Pensions and allowances	690,014,692
Public works	65,624,339
Territories and dependencies	11,264,924
Miscellaneous	5,961,818
	$2,816,105,209

Subtracting this sum from the grand total of $4,531,502,219 leaves a balance of $1,715,397,010 as the amount of the operating expenses of the federal government for 1927.

According to the bureau of budget,[2] the compensation for personal services, including the postal services but excluding the District of Columbia, was $1,200,867,287. This is 70 per cent of the operating budget.

The total number of federal employees reported from the same source is shown in Table II.

TABLE II

Departmental and field service (executive, judicial and postal services)	559,138
Legislative establishment	3,810
Army	142,653
Navy and marine corps	131,092
Coast guard	11,311
Public health service and coast and geodetic survey, commissioned personnel	345
Total	848,349

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[1] Taken from the analysis of expenditures made by the Institute of Government Research and supplied by Dr. C. H. Woody of the President's Research Committee on Social Trends. Postal expenditures off-set by receipts ($687,365,000) are added to aggregate of above analysis.

[2] Communication of April 30, 1928.

The significant figures for the purpose of this study are the following:

Operating budget	$1,715,397,010
Compensation	$1,200,867,287
Percentage—compensation of operating budget	70%
Number of employees	848,349

II. STATES

The data from the states were divided into (a) general administration including all departments and institutions except the educational, and (b) education. The latter covered both the departments of education and state institutions classified under this heading. Apportionments to cities and counties were subtracted from the operating budgets.

Budgetary figures from all states were available except the following: Alabama, Delaware, Florida, Nebraska, North Dakota, Oklahoma and Washington. The *Financial Statistics of States for 1926* prepared by the bureau of census was utilized for these units. This exception has to do only with general administration as operating budgets for educational activities were secured from all states.

Personnel and compensation figures were lacking for general administration of five states and for education of eleven. These gaps in the information necessitated the working out of estimates on the basis of operating budgets.

A. *Methods of Estimating Compensation*

Correlation charts pairing compensation for all available units with population on the one hand and with operating budgets on the other indicated that this item was more closely related to the amount of the operating budget than to the total population of the states. The charts indicated further that the relationship was linear in both general administration and education. As the regression equation practically coincided with the equation expressing the average ratio of compensation to operating budget, it was thought best to use the latter method. This seemed the more advisable since the regression equation would give an undue weight to the larger states.

General Administration.—Estimates of compensation were worked out for Nevada, New Hampshire, North Dakota and Oklahoma. Data for forty-four states showed an average ratio of total compensation to operating budget of .36 with a probable error of .01. This ratio was applied to the states named above in estimating total compensation.

Education. — Compensation data were available for all states except Alabama, Maine, Nevada, New Hampshire, North Dakota and Wyoming. Using the method described above it appeared that the ratio between operating budgets and compensation was .60 with a probable error of .016.

B. *Methods of Estimating Number of Full-time Employees*

General Administration. — Various correlation charts were set up and compared for the purpose of determining the soundest method of estimating the number of full-time employees for the units not reported. These consisted of Louisiana, Nevada, New Hampshire, North Dakota and Oklahoma. The method used above appeared to be the best. On the basis of the returns from 43 states it was found that the average ratio of total compensation to number of full-time employees was $1,518 with a probable error of $36. This was divided into the total compensation for the above named states.

Education.—Applying the same method to the information on education the average ratio for 35 states was found to be $1,770, with a probable error of $40. This was divided into the total compensation for the states

TABLE III

Data on Number of Full-Time Employees, Total Compensation for full and part-Time Employees, and Operating Budgets for States

State	Year	General Administration					Education				
		(1) Number of full-time employees	(2) Total compensation full and part-time employees (in thousands)	(3) Operating budget (in thousands)	(4) Percentage compensation of operating budget	(5) Compensation divided by number employees	(1) Number of full-time employees	(2) Total compensation (in thousands)	(3) Operating budget (in thousands)	(4) Percentage compensation of operating budget	(5) Compensation divided by number employees
Alabama	'27	1,001	$2,514	$8,062	31%	$2,510	*615*	*$1,076*	$1,794	*60%*	*$1,750*
Arizona	'27	987	1,923	4,234	46	1,930	642	979	1,502	66	1,522
Arkansas	'26	617	1,240	5,886	21	2,000	*701*	1,226	1,999	62	*1,750*
California	'26	5,349	9,137	22,446	41	1,705	3,264	3,717	9,628	32	1,139
Colorado	'25	1,088	1,890	6,999	27	1,732	1,389	2,651	5,057	53	1,914
Connecticut	'26	2,677	3,660	17,731	21	1,373	752	1,515	4,616	33	2,008
Delaware	'26	559	684	1,655	44	1,221	*138*	242	332	73	*1,750*
Florida	[a]'28	1,624	2,774	8,137	34	1,710	874	1,250	2,494	50	1,431
Georgia	'26	3,401	3,495	11,528	30	1,028	1,214	1,463	1,666	88	1,209
Idaho	'26	500	803	3,465	32	1,605	724	1,405	2,514	56	1,942
Illinois	'26	8,893	12,735	25,011	51	1,433	2,099	5,127	6,317	81	2,440
Indiana	'26	3,384	5,351	10,471	51	1,580	2,463	3,570	5,044	71	1,450
Iowa	'26	2,613	3,577	11,481	31	1,372	2,406	5,861	8,107	72	2,430
Kansas	'26	1,756	3,130	13,314	23	1,775	1,938	3,664	6,146	60	1,888
Kentucky	'27	1,700	3,750	9,500	40	2,210	1,850	2,380	3,285	73	1,286
Louisiana	'25	*3,315*	5,032	14,478	35	*1,518*	*777*	1,359	3,032	45	*1,750*
Maine	'26	2,391	2,858	9,570	30	1,197	425	*598*	997	*60*	*1,750*
Maryland	'26	1,721	2,366	14,406	16	1,379	765	1,583	2,168	73	2,065
Massachusetts	'25	10,668	14,516	36,361	40	1,365	1,891	2,536	6,837	37	1,280
Michigan	'26	6,336	5,393	12,506	43	850	5,227	7,873	9,282	85	1,505
Minnesota	'27	6,671	8,841	23,983	37	1,325	3,144	5,240	7,524	70	1,665
Mississippi	'26	2,732	2,623	11,106	24	968	523	982	1,212	81	1,876
Missouri	'26	2,320	2,123	10,664	20	915	1,434	2,068	2,943	70	1,450
Montana	'26	1,700	1,829	22,917	63	1,078	410	922	1,513	61	2,250
Nebraska	'27	1,295	2,255	6,511	35	1,875	1,014	2,252	4,464	50	2,225
Nevada	'25 & '26	*277*	*420*	1,176	*36*	*1,518*	*150*	*263*	429	*60*	*1,750*
New Hampshire	'26	*1,099*	*1,668*	4,633	*36*	*1,518*	*485*	*848*	1,414	*60*	*1,750*
New Jersey	'26	7,961	11,711	21,282	55	1,470	*739*	1,293	2,627	49	*1,750*
New Mexico	'26	460	774	2,373	33	1,681	*405*	709	1,431	49	*1,750*
New York	[a]'26	19,554	28,672	77,005	37	1,470	2,686	5,324	10,975	49	1,978
North Carolina	'27	2,853	3,900	9,379	42	1,365	2,361	3,460	5,520	63	1,467
North Dakota	'26	*1,065*	*1,616*	4,488	*36*	*1,518*	*721*	*1,261*	2,101	*60*	*1,750*
Ohio	'27	6,088	7,811	24,029	33	1,285	2,520	4,794	8,203	59	1,900
Oklahoma	'28	*2,152*	*3,266*	9,073	*36*	*1,518*	*1,756*	3,073	4,897	73	*1,750*
Oregon	'26	2,673	2,743	8,157	34	1,028	978	2,022	2,557	80	2,070
Pennsylvania	'26	11,266	16,797	42,351	40	1,491	1,646	3,347	6,903	48	2,030
Rhode Island	'26	1,470	2,530	6,793	37	1,720	347	509	1,201	43	1,465
South Carolina	'27	1,410	2,103	4,732	45	1,489	712	1,303	5,605	23	1,830
South Dakota	'27	1,172	1,827	8,128	23	1,565	923	1,699	3,072	55	1,850
Tennessee	'27	2,776	5,734	9,473	60	2,065	915	1,299	1,818	71	*1,750*
Texas	[a]'28	3,307	4,487	10,703	42	1,351	2,468	5,069	7,664	66	*2,052*
Utah	'26	605	916	2,005	46	1,515	473	845	1,501	57	1,790
Vermont	'26	1,172	1,604	4,010	40	1,420	59	98	407	24	1,661
Virginia	'27	3,551	4,666	13,596	34	1,315	3,721	4,798	6,179	78	1,290
Washington	'26	1,788	2,283	7,522	30	1,274	1,469	2,542	4,101	62	1,730
West Virginia	'28	1,573	2,919	9,603	30	1,860	1,607	2,668	4,550	59	1,660
Wisconsin	'27	3,856	5,581	20,963	27	1,445	4,355	6,451	9,551	68	1,479
Wyoming	'26	330	769	2,150	36	2,323	*316*	*553*	921		
Average					36%[b]	$1,518[c]				60%[d]	$1,750[e]

Estimated figures are italicized in this table.

[a] Appropriations.
[b] P.E. = 1.0.
[c] " = $36.
[d] " = 1.6.
[e] " = $40.

TABLE IV

FINAL ESTIMATES OF NUMBER OF FULL-TIME EMPLOYEES AND TOTAL COMPENSATION FOR FULL AND PART-TIME EMPLOYEES AND OPERATING BUDGET—1926

State	*General Administration*			*Education*		
	Number of full-time employees	Total compensation full and part-time employees (in thousands)	Operating budget (in thousands)	Number of full-time employees	Total compensation full and part-time employees (in thousands)	Operating budget (in thousands)
Alabama	992	$2,491	$7,989	610	$1,066	$1,779
Arizona	957	1,864	4,103	622	949	1,455
Arkansas	617	1,240	5,886	701	1,226	1,999
California	5,349	9,137	22,446	3,264	3,717	9,628
Colorado	1,108	1,925	7,125	1,389	2,651	5,057
Connecticut	2,677	3,660	17,731	752	1,515	4,616
Delaware	559	684	1,565	138	242	332
Florida	1,516	2,589	7,592	816	1,167	2,327
Georgia	3,401	3,495	11,528	1,214	1,463	1,666
Idaho	500	803	2,465	724	1,405	2,514
Illinois	8,893	12,735	25,011	2,099	5,127	6,317
Indiana	3,384	5,351	10,471	2,463	3,570	5,044
Iowa	2,613	3,577	11,481	2,406	5,861	8,106
Kansas	1,756	3,130	13,314	1,938	3,664	6,146
Kentucky	1,691	3,729	9,443	1,840	2,367	3,265
Louisiana	3,348	5,082	14,623	784	1,373	3,062
Maine	2,391	2,858	9,570	425	598	997
Maryland	1,721	2,366	14,406	765	1,583	2,168
Massachusetts	10,804	14,702	36,834	2,006	2,569	6,926
Michigan	6,336	5,393	12,506	5,227	7,873	9,282
Minnesota	6,584	8,725	23,671	3,103	5,171	7,430
Mississippi	2,732	2,623	11,106	523	982	1,212
Missouri	2,320	2,123	10,664	1,434	2,068	2,943
Montana	1,700	1,829	2,917	410	922	1,513
Nebraska	1,274	1,237	6,407	1,006	2,234	4,393
Nevada	277	420	1,176	150	263	439
New Hampshire	10,099	1,668	4,633	485	848	1,414
New Jersey	7,961	11,711	21,282	739	1,293	2,627
New Mexico	460	774	2,373	405	709	1,431
New York	19,554	28,672	77,005	2,686	5,324	10,975
North Carolina	2,815	3,848	9,257	2,329	3,365	5,448
North Dakota	1,065	1,616	4,488	721	1,261	2,101
Ohio	5,988	7,682	23,645	2,479	4,715	8,072
Oklahoma	2,077	3,153	8,755	1,682	2,967	4,726
Oregon	2,673	2,743	8,157	978	2,022	2,557
Pennsylvania	11,266	16,797	42,351	1,646	3,347	6,903
Rhode Island	1,470	2,530	6,793	347	509	1,201
South Carolina	1,395	2,081	4,685	705	1,290	5,549
South Dakota	1,160	1,808	8,047	914	1,682	3,041
Tennessee	2,757	5,695	9,407	909	1,290	1,805
Texas	3,253	4,413	10,532	2,428	4,985	7,541
Utah	605	916	3,005	473	845	1,501
Vermont	1,162	1,604	4,009	59	98	407
Virginia	3,513	4,617	13,446	3,682	4,747	6,111
Washington	1,788	2,283	7,522	1,469	2,542	4,101
West Virginia	1,523	2,826	9,296	1,556	2,583	4,404
Wisconsin	3,812	5,518	20,690	4,306	6,378	9,406
Wyoming	330	769	2,150	316	553	921
Total	153,226	$218,492	$602,558	68,123	$114,979	$192,898

for which the data were lacking, viz., Alabama, Arkansas, Delaware, Louisiana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma and Wyoming.

Table III brings together the data secured through the investigation as well as the estimates worked out by the methods just described. These figures are reduced to a 1926 basis by the use of population figures in such cases as were reported for some other year. Table IV gives the final estimates of the number of full-time employees and of the total compensation (including both full-time and part-time) for general administration and education respectively.

Summary.—The significant totals in the above tables are the following:

	General Administration	*Education*
Operating budgets......	$602,558,000	$192,898,000
Compensation..........	218,492,000	114,979,000
Percentage—compensation of operating budgets..................	36%	60%
Number of full-time employees..............	153,226	68,123

III. COUNTIES

The following table, No. V, shows the number of counties on which the study was based together with the total number of counties. They are distributed under four main divisions and further subdivided on the basis of geographical area.

The distribution into county-city consolidations,[1] metropolitan, urban and rural groups was made with reference to the population of cities included within the county area. Apart from the seven so-called county-city consolidations which are treated in the section on cities and towns, the counties embracing one or more cities of a population of 100,000 or more were considered metropolitan; those containing one or more cities, towns, villages or boroughs of 5,000 or more population were classified as urban while the rural group consisted of the balance. This grouping seemed called for because of the belief that the scope and significance of county functions are affected by the presence of a larger or smaller urban unit within the boundaries of the county, the tendency being for the functions of the county to vary with respect to the aggregates of population in incorporated political units within its limits. As it was necessary to estimate personnel and other data for a considerable number of counties, averages set up for counties in a more or less homogeneous group would appear to be reasonably valid for those for which information was not available.

Similar reasoning prompted further subdivisions on a geographical basis, the guiding consideration here being that the character of county functions varies in different parts of the country. The classification adopted by Kirk H. Porter in his study of county government in the United States was adopted for this purpose.[2] Mr. Porter divides the county governments into four large groups:

(1) New England, where the town is the important local unit while the county is relatively unimportant. This appears in the rural districts in which the town is the governing body.

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[1] Eight cities including Washington, D. C., are listed as city-county consolidations. Seven of these comprise most if not the whole of the county area of eleven counties. Although they are not all consolidations in the strict sense of the term they are classified separately because the data were combined for the city and county jurisdictions.

[2] Porter, Kirk H., *County and Township Government in the United States.*

TABLE V

Number of Counties on Which Study Was Based and Total Number of Counties in Each Classification

Division	Number of counties on which study was based	Number of states represented	Total number of counties
County-city consolidations[1]	11 (7 cities)		11[1]
Metropolitan	28	23	60
New England	3	2	10
North Central	10	6	16
South Central	7	7	18
South and Far West	8	8	16
Urban	54	41	836
New England	4	4	40
North Central	9	6	181
South Central	20	11	288
South and Far West	21	20	327
Rural	48	37	2,147
New England	4	4	17
North Central	4	5	230
South Central	17	10	618
South and Far West	23	18	1,282
Grand Total	141[1]	44	3,054[1]

[1] In the following computations the county-city consolidations are omitted. They are treated under the section on cities.

The following six states are included in this group: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

(2) South and Far West. In these sections the county appears to be the dominating body. It controls the unincorporated rural districts. Township jurisdictions are not provided for at all. Twenty-five states are found in this group: Delaware, Maryland, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Texas, New Mexico, Arizona, Colorado, Wyoming, Utah, Nevada, Idaho, Montana, Washington, Oregon and California.

(3) North Central. Here are classified those states where a county-township combination exists with the emphasis on the latter. The group comprises: New York, New Jersey, Michigan, Illinois, Wisconsin and Nebraska.

(4) South Central. Here too is found the county-township combination with the county as the predominating jurisdiction. This includes the following eleven states: Pennsylvania, Ohio, Indiana, Mississippi, Iowa, Missouri, Arkansas, North Dakota, South Dakota, Kansas and Oklahoma.

An examination of Table V shows that data were secured from at least three and at most twenty-three under the various subdivisions. The inadequacy of this basis of estimating budgetary and personnel data for the balance of the various groups is obvious. In defense of the procedure it can only be urged that county budgets and salary expenditures are usually not published, necessitating careful field investigations; that there is a considerable amount of uniformity in county

TABLE VI

Average Per Capita Compensation, Population and Total Estimated Compensation for 3,043 Counties by Population and Porter Classification, 1926[1]

	Per capita compensation	Total population (in thousands)	Total compensation for full and part-time employees (in thousands)[1]
New England	*$ .89*	*8,092*	*$7,201*
Metropolitan	.89	5,209	4,636
Urban	.89	2,432	2,164
Rural	.89	451	401
North Central	*2.56*	*24,929*	*63,984*
Metropolitan	2.87	10,402	29,854
Urban	2.15	10,504	22,584
Rural	2.87	4,023	11,546
South Central	*2.53*	*32,468*	*82,294*
Metropolitan	2.87	7,194	20,647
Urban	2.15	15,125	32,519
Rural	2.87	10,149	29,128
South and Far West	*2.62*	*40,286*	*105,473*
Metropolitan	2.87	5,488	15,751
Urban	2.15	14,094	30,302
Rural	2.87	20,704	59,420
Total	$2.46	105,775	$258,952
Total Metropolitan	2.50	28,293	70,888
Total Urban	2.08	42,155	87,569
Total Rural	2.85	35,327	100,495
Total	$2.46	105,775	$258,952

[1] City-county consolidations omitted.

functions within a given group; and, finally, that these data constitute a broader base for purposes of making estimates than has been used in setting up earlier compilations.

A. *Methods of Estimating Total Compensation*

The returns included operating budgets, as previously defined, compensation and number of full-time workers for 130 county units. In addition operating budgets or total compensation or both were reported for 66 counties. These data were also used.

On the whole, analysis of the figures showed that there was a great variability in the compensation paid as between the groups although there was a fair degree of uniformity within any single group.

In seeking a sound basis for estimating the figures for the counties not covered correlation charts pairing population[1] and compensation were set up and examined. These showed a close relationship between total compensation and population in metropolitan counties, a fairly satisfactory one in urban counties and scarcely any relationship in the rural group. When combined on a single chart it was evident that the relationship was not linear, but more or less in the form of a second-degree parabola with positive coefficients. Some linear correlations were computed, dividing the data into its geographical and population classifications. The results, however, were not sufficiently uniform to justify the application of the estimating regression equation either individually or as a whole. A correlation coefficient based on a parabolic or logarithmic curve would undoubtedly have fitted the data much better, but the great variability and comparatively small number of cases did not seem to justify such an involved statistical procedure. It was, therefore, deemed best to apply the average per capita compensation for the different classifications to the total population residing within the counties in each class.

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[1] The population estimates prepared for the year 1926 by the U. S. Bureau of Census were used in the compilations.

The average per capita compensation was computed for the three population classifications and the four Porter divisions. The probable error of the means and the probable error of the differences of the means were computed. This showed a significant difference between the average for New England and the average for the rest of the country. The three classifications within New England, however, showed no significant differences. In the remaining parts of the country, there was a significant difference between urban and the other two classifications. Table VI gives the average ratio of compensation to population for the various classifications, the total population residing within these classifications and the total estimated compensation.

A scrutiny of this table shows that the ratio for the New England counties is out of line under each category. This is due to the fact that the county plays a minor rôle in local government in this section of the country, so that one would hardly expect very high expenditures.

On the other hand, in view of the greater importance of the county as compared to minor jurisdictions in the South and Far West, one would expect a comparatively higher ratio for the counties in these regions. The fact that the ratio is not higher for such groups may be ascribed to the facts: (1) that in general public agencies do not undertake so many functions as in other parts of the country; and (2) that salary scales are likely to be lower than in more thickly populated regions.

That the average ratio for the rural and metropolitan counties are practically the same appears a bit surprising at first glance. But this may be due to two factors or counter tendencies:

1. If the area absorbed by incorporated units is restricted, that subject to the control of county officials will be larger and the functions more important. As will be recalled, the rural classification was set up with reference to the absence of incorporated towns, villages and cities of 5,000 or more.

2. On the other hand, in case a considerable part of the county is occupied by one or more metropolitan cities with its high standard of living[1]—if this phrase may be so applied—it is likely to influence both the quality and variety of the services demanded by the public of its county government, even though these demands may result in higher governmental costs.

These factors go to explain the relatively higher per capita averages for the rural and metropolitan counties.

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[1] Comparative statistics go to prove that there is a definite tendency for governmental costs to rise in relation to the concentration of population, *i.e.*, the larger the city the higher the per capita expenditures for public purposes. Better standards and more services seem to be the corollary to increasing population within the city limits. It is believed that this tendency is reflected in the character of the county governments where a major part of the county area is occupied by one or more large metropolitan cities. See Davenport, Donald H., *Report to Governor Alfred E. Smith and to the Legislature of the State of New York on Costs of Government, Land Value and Population*.

B. *Methods of Estimating Total Number of Full-time Employees*

In computing the number of full-time employees a ratio was worked out between the total compensation and the number of employees for the several classifications. When the averages were tested for probable error of the differences, none of them were found to be significant, except possibly the difference between the total metropolitan and the total urban groups. However, as the differences between the Porter divisions and between the population divisions were in all cases greater than the probable error, it was thought best to use the individual averages rather than to lump them together. The results of this computation are compiled in Table VII.

The total compensation was then divided by the average ratio (column a) to get the total estimated number of full-time employees for each division (column b).

C. *Per Cent of Operating Budget Chargeable to Personal Service*

The ratio of total compensation to operating budget was computed and averaged for the various Porter classifications and population divisions. The results are given in Table VIII, column c. It is difficult to interpret the differences as the small number of

TABLE VII

Ratio of Compensation to Number of Full-time Employees, Total Compensation of Full and Part-time Employees and Total Estimated Number of Full-time Employees for Counties—by Population Division and Porter Classification, 1926

	(a) Ratio of compensation to number of full-time employees	(b) Total compensation of full and part-time employees (in thousands)	(c) Total number of full-time employees
New England	1,900	$7,201	3,741
Metropolitan	2,197	4,636	2,110
Urban	1,554	2,164	1,392
Rural	1,680	401	239
North Central	1,860	63,984	34,282
Metropolitan	1,977	29,854	15,101
Urban	1,619	22,584	13,949
Rural	2,207	11,546	5,232
South Central	1,900	82,294	43,136
Metropolitan	2,208	20,647	9,351
Urban	1,892	32,519	17,188
Rural	1,755	29,128	16,597
South and Far West	1,720	105,473	61,256
Metropolitan	2,070	15,751	7,609
Urban	1,419	30,302	21,354
Rural	1,840	59,420	32,293
Total	1,820	$258,952	142,415
Total Metropolitan	2,070	70,888	34,171
Total Urban	1,630	87,569	53,883
Total Rural	1,860	100,495	54,361
Total	1,820	$258,952	142,415

cases and wide individual variations do not justify a statement as to the significance of these differences. However, the differences are similar to those found in the averages of the per capita compensation, *i.e.*, New England as a whole is lower than the rest of the country and the urban classification is lower than the metropolitan and rural classification. When the operating budget is reduced to a per capita basis, we again find the same differences, New England having a per capita operating budget of less than half that of the rest of the country and the urban counties appreciably lower than the metropolitan and rural. It will be noticed that the per capita operating budget for the North Central, South Central and South and Far West divisions are practically identical.

In column d, Table VIII, are found figures showing the per capita operating budget, and in column e the per capita compensation in thousands of dollars. These are included to facilitate a comparison between the per capita operating budget and the per capita compensation.

TABLE VIII

OPERATING BUDGET AND PER CENT OF COMPENSATION TO OPERATING BUDGET FOR 3,043 COUNTIES

Classification	(a) Total compensation for full- and part-time employees (in thousands)	(b) Operating budget (in thousands)	(c) Compensation divided by operating budget (in per cent)	(d) Per capita operating budget	(e) Per capita compensation
New England........	*$7,201*	*$22,492*	*32%*	*$2.78*	*$ .89*
Metropolitan.......	4,636	15,453	30	2.96	.89
Urban............	2,164	6,011	36	2.48	.89
Rural............	401	1,028	39	2.28	.89
North Central........	*63,984*	*147,334*	*43*	*5.91*	*2.56*
Metropolitan.......	29,854	74,635	40	7.15	2.87
Urban............	22,584	53,771	42	5.10	2.15
Rural............	11,546	18,928	61	4.70	2.87
South Central........	*82,294*	*192,636*	*43*	*5.93*	*2.53*
Metropolitan.......	20,647	48,016	43	6.70	2.87
Urban............	32,519	81,298	40	5.35	2.15
Rural............	29,128	63,322	46	6.20	2.87
South and Far West...	*105,473*	*238,848*	*44*	*5.93*	*2.62*
Metropolitan.......	15,751	30,884	51	5.65	2.87
Urban............	30,302	84,172	36	6.00	2.15
Rural............	59,420	123,792	48	5.00	2.87
Grand Total.........	$258,952	$601,310	43%	$5.68	$2.46
Total Metropolitan....	70,888	168,988	42	5.97	2.50
Total Urban.........	87,569	225,252	39	5.34	2.08
Total Rural..........	100,495	207,070	49	5.86	2.85
Grand Total	$258,952	$601,310	43%	$5.68	$2.46

Summary.—The significant totals in the above tables are as follows:

Operating budgets............	$601,310,000
Compensation...............	258,952,000
Percentage—compensation of operating budgets............	43%
Number of full-time employees..	142,415

IV. INCORPORATED TOWNS AND CITIES

The number of incorporated towns and cities in 1926 was estimated at 16,691. This was arrived at by accepting the estimates of the census bureau for towns and cities over 10,000 and using our own estimates for towns under 10,000. It includes all towns in Massachusetts, Rhode Island and New Hampshire with a population of 2,500 or more whether incorporated or not.

A special group is classed under the title, county-city consolidations. This consists of those large cities which absorb a large part if not all of the counties in which they are located and for which the data were compiled in a consolidated form. For obvious reasons Washington, D. C., is included in this group. The other so-called city-county consolidations are: Baltimore, San Francisco, St. Louis, Denver, Philadelphia, New Orleans and New York. As actual figures were secured for this series there was no need of working out estimates.

In Table IX will be found groupings of the towns and cities together with the number of cases on which the estimates were based.

TABLE IX

Number of Incorporated Towns and Cities on which Study was Based by Population Classifications

Classification	Number of cases on which study was based	Number of states represented	Total number in United States in 1926
County-city consolidations [1]	8	7	8
500,000 or over	7	7	8
250,000–499,999	14	11	14
100,000–249,999	34	19	53
50,000– 99,999	22	13	90
30,000– 49,999	12	12	115
10,000– 29,999	39	29	575
5,000– 9,999	*22*	*17*	795
2,500– 4,999	*34*	*22*	1,451
New England	5	4	
North Central	3	3	
South Central	8	4	
South and Far West	18	11	
Under 2,500	*118*	*30*	13,590
New England	26	4	
North Central	10	4	
South Central	40	10	
South and Far West	42	12	
Total	310	48	16,699

[1] The District of Columbia was included but not counted as a state.

A. *Methods of Estimating Number of Towns in Population Groups*

As the data indicated a very close relationship of a non-linear character between population and compensation, it was necessary to determine the number of towns and their population for 1926. The census bureau had published estimates for towns and cities of 10,000 and more population for this year, but not for smaller units. Using the decennial figures of 1920 as a basis, all places reported in 1920 as having less than 10,000 were classified into four groups:

(a) The number below 10,000 increased to over 10,000 in 1926.

(b) The number between 5,000 and 10,000 in 1926.
(c) The number between 2,500 and 5,000 in 1926.
(d) The number with less than 2,500 in 1926.

In order to determine the probable changes in these groups from 1920 to 1926 the method of logarithmic exterpolation was adopted, using the 1910 and 1920 figures as the basis. The results for 1926 are summarized in the following table:

TABLE X

Group	Number in Group	Population	Average population
Below 2,500	13,590	8,969,000	700
2,500–5,000	1,451	4,594,000	3,500
5,000–10,000	795	4,998,000	6,900

B. *Methods of Estimating Total Compensation*

Again using the reported data as a basis, comparisons were made to determine the best method of utilizing the available material for applying averages to the cities and towns from which no figures had been secured. After some preliminary charting of population in relation to compensation, it was evident that the relationship was of a hyperbolic nature of the form $y=ax^b$ where $y=$ compensation and $x=$ population. Interpreting this on a natural scale it simply means that the larger the city, the larger the per capita compensation. Casting the data into the four Porter classifications did not reveal enough difference to justify segregation.

As a correlation of the form $y=ax^b$ with 146 items would take a longer time than was at our disposal, it was thought better to divide the data into class intervals and fit the equation to the means of the x's and y's weighted by the number of items in that classification. The estimating equation then became $y=4.077x$ to the 1.2284 power and the correlation coefficient of the logarithms$=.999$, *i.e,* the coefficient expresses the correlation of the logarithm of the means and not the correlation of the individual items which would, of course, be much smaller. However, the high correlation of the means should give a highly accurate estimate of the total compensation paid by incorporated towns and cities in the United States. Table XI gives the estimates of total compensation of incorporated towns and cities by population classification based on this estimating equation.

C. *Methods of Estimating the Number of Full-time Employees*

The number of full-time employees seemed more closely related to the size of the total compensation than to any other known factor. Consequently, the ratio of the number of full-time employees to total compensation was computed and averaged by different population classifications. *It should be again pointed out that this ratio is not the average salary per full-time employee, as total compensation includes payments to both part-time and full-time workers.*

The average ratio for the various population classifications was divided into the total estimated compensation to get the estimated number of full-time employees for that classification.

The results of these computations

TABLE XI

Number and Population of Incorporated Towns and Cities in the United States and Total Estimated Compensation, 1926

Population divisions (in thousands)	Total number	Total population (in thousands)	Total compensation for full- and part-time employees (in thousands)
Below 2.5	13,590	9,500	$35,720
2.5–5	1,451	5,100	27,642
5–10	795	5,505	34,902
10–15	303	3,787	27,494
15–20	134	2,170	18,385
20–25	86	1,935	16,065
25–30	52	1,430	12,428
30–35	39	1,267	11,447
35–40	27	1,012	9,447
40–45	25	1,060	10,200
45–50	24	1,140	11,227
50–60	29	1,595	16,243
60–70	21	1,365	14,440
70–80	21	1,575	17,216
80–90	6	510	5,736
90–100	13	1,235	14,248
100–110	9	945	11,151
110–120	8	920	11,088
120–130	3	375	4,605
130–140	8	1,080	13,504
140–150	6	870	11,052
150–160	2	310	4,000
160–170	3	495	6,477
170–180	3	525	6,963
180–190	3	555	7,455
190–200	1	195	2,651
200–210	3	615	8,457
210–220	2	430	5,978
240–250	2	490	7,018
	16,669	47,993	$383,239
Actual Data			
250–500	14	5,025	67,614
Over 500	8	8,465	163,801
County-city consolidations	8	11,370	244,163
Total	16,699	72,853[a]	$858,817

[a] As the total population in 1926 was 117,136,000, the balance of 44,281,000 were living in unincorporated territory.

are presented in the following table, No. XII.

Although the differences in the averages (Table XII, column b) are not significant when measured by their probable error, they may be considered significant in the light of *a priori* knowledge. In other words, the various population classifications are distinct groups and should be treated separately.

The ratio of compensation to operating budget was computed and averaged for each population division, the results are given in Table XIII, column c. It immediately strikes the eye that the larger the town the larger the percentage of compensation to operating budget with the exception of the figure for the group of 500,000 and over. For the country as a whole the average is 56 per cent.

TABLE XII

TOTAL COMPENSATION FOR FULL AND PART-TIME EMPLOYEES AND ESTIMATED NUMBER OF FULL-TIME EMPLOYEES IN INCORPORATED TOWNS AND CITIES, 1926

Population group	(a) Total estimated compensation of full- and part-time employees	(b) Average of compensation to number of full-time employees	(c) Estimated number of full-time employees
0–4,999	$63,362,000	$1,580	40,103
5,000–49,999	151,595,000	1,520	99,734
50,000–99,999	67,883,000	1,550	43,797
100,000–249,999	100,399,000	1,730	58,035
250,000–499,999[a]	67,614,000	1,710	41,684
500,000 and over	163,801,000	1,500	113,785
County-city consolidations	244,163,000	1,770	137,759
Total	$858,817,000	$1,610	534,897

[a] Data for cities over 250,000 and for county-city consolidations are taken from questionnaires except for Buffalo which is included in the over 500,000 classification.

The per capita operating budget, the per capita compensation and the per cent of compensation to operating budget are brought together for purposes of comparison. All of the three ratios tend to bear out the above observation that as the city increases in size costs mount on a per capita basis.

Summary.—The significant totals in the above tables are as follows:

Operating budgets	$1,534,785,000
Compensation	$858,817,000
Percentage—compensation of operating budgets	56%
Full-time employees	534,897

TABLE XIII

OPERATING BUDGET AND PER CENT OF COMPENSATION TO OPERATING BUDGET AND PER CAPITA FIGURES FOR TOWNS AND CITIES BY POPULATION GROUPS

Population groups	(a) Total compensation for full- and part-time employees (in thousands)	(b) Operating budget (in thousands)	(c) Compensation divided by operating budget (per cent)	(d) Per capita operating budget	(e) Per capita compensation
0–4,999	$63,362	$144,005	44%	$9.86	$4.35
5,000–49,999	151,595	315,823	48	16.36	7.85
50,000–99,999	67,883	121,220	56	19.30	10.81
100,000–249,999	100,399	164,589	61	21.09	12.86
250,000–499,999	67,614	104,022	65	20.70	13.46
500,000 and over	163,801	307,873	53	36.37	19.35
County-city consolidations	244,163	377,253	65	33.18	21.47
Total	$858,817	$1,534,785	56%	$21.07	$11.79

V. PUBLIC SCHOOL SYSTEM

On account of the character of the reports on the public school systems made by the bureau of education and the research division of the National Education Association the county school districts and city systems are treated as a unit.[1]

From Bulletin No. 39 (1927) of the U. S. Office of Education (pp. 17–18), may be secured for the year 1925 and 1926 the following data: (1) the number of teachers, principals, supervisors and administrators in the public school system; (2) salaries and expenses of supervisors and principals and salaries of teachers (p. 32); (3) wages of janitors, engineers and their helpers for 37 states (p. 32); and (4) operating budgets (p. 34).

In order to round out the above information it is necessary to estimate:

1. Salaries of city and county administrators and assistants.
2. "Expenses" of supervisors and principals in order to deduct from the item "cost of instruction, salary" (p. 32).
3. Number and salaries of clerks, stenographers, nurses, attendance officers, janitors and engineers.

1. Salaries of Administrative Officers. The number of administrative officers is distributed in Bulletin No. 39 of the Office of Education as follows:

City superintendents	5,719
Other administrative officers (in cities)	4,294
County superintendents	3,480
	13,493

The salaries were estimated on the basis of the 1927 survey made by the National Education Association (Research Bulletin, Vol. V, No. 2). It covers returns from 1,435 city reports classified according to the population of the cities represented; from other administrative officers from the same number of cities;[2] and from 3,427 county superintendents.[3] In all cases only median salaries were reported. These medians were applied to the whole group of cities and counties in the various population classifications from small incorporated villages to the largest cities. In the case of the returns on city officials the estimates were derived by the use of population weights. The following table gives the results of the computations:

	Numbers	*Total Estimated Salaries*
City superintendents	5,719	$40,000,000
Other administrative officials	4,294	11,600,000
County superintendents	3,480	7,700,000
	13,493	$59,300,000

---

[1] The data on personnel and expenditures for educational purposes in the departments and institutions of the states are included in Section II above.

[2] For tables see Research Bulletin, Vol. V, No. 2, pp. 78, 79, 86, 88, 93, 94, 99, 100, 106, 107.

[3] *Journal of the National Education Association*, 20: 186, May, 1931. Salaries and Certain Provisions Relating to Rural School Superintendents, 1930–31. It will be noted that the salary data from the Research Bulletin are for the year 1926–27 and those covering county superintendents for 1930–31, whereas the report published by the Office of Education is for 1925–26. The computations must, therefore, be accepted with certain reservations. It is not probable that there were marked changes in numbers or salary scales for 1925–26 and 1926–27. There were doubtless increases in the salaries of rural school superintendents from 1925–26 to 1930–31. However, such increases would affect the salaries of only 3,427 superintendents, a relatively small number of the total included in the estimates. In defense of this procedure it can only be said that 1925–26 data were not available.

2. The salaries of supervisors and principals were combined with "expenses" in Bulletin No. 39 (p. 32) of the Office of Education. As no information was given that would enable one to segregate expenses from the totals reported, it was found necessary to include the total figures. This was done in the belief that "expenses" would constitute but a relatively minor part of the whole amount.

3. The number and salaries of clerks, stenographers, nurses, attendance officers and janitors as reported for 1,435 city systems in the Research Bulletin (Vol. V, No. 2) served as the basis for working out estimates for incorporated towns and cities not included in this survey. Ratios were computed for each of the above classes of employees with respect to the total number of "other employees" in each population division. Again population weights were used for all cities in the several classes and the median salary reported for each class.[2]

CONCLUSION

By the use of this method it is estimated that there are 57,400 full-time "other employees" receiving a total of $74,110,000 in the city school systems. Of this amount $49,100,000 is chargeable to janitor services, leaving a balance of $25,000,000 for the stenographers, clerks, nurses and attendance officers. But the wage payments to janitors and engineers for 37 states as reported in Bulletin No. 39 aggregate $53,864,272. By applying the ratio between such payments and the total cost of operation, *i.e.* (55 per cent) to the cost of operation for the eleven states not included it appears that the total to be charged to the item of janitor service for both urban and rural schools amounts to $100,659,000. This figure is, therefore, substituted for $49,100,000. Its size is to be explained as due to the large amount of part-time service in rural schools. Since consolidated schools are likely to have full-time janitors, the number of other employees noted above was increased by 16,291 (the number of consolidated schools), giving an aggregate of 73,691 other employees for all schools and a payroll of $125,659,000.[1]

The information derived from the bulletin of the U. S. Office of Education and the estimates explained above are combined in Table XIV.

The figures significant for the purpose of this investigation are as follows:

Operating budgets..........	$1,537,874,000
Compensation.............	1,246,542,000
Percentage—compensation of operating budgets........	81%
Full-time employees........	936,686

PART-TIME EMPLOYEES

Before pooling the data from the preceding summaries reference should be made to the serious lack of information concerning part-time workers. Because of the well-known size and importance of this group, particularly in connection with seasonal work, a rough estimate has been made on the

---

[1] No reports are available as to the number or salaries of "other employees" in rural schools except for janitorial service, as estimated above. This gap in our information should be recognized, although it is probably not of any considerable consequence because many of the duties of such employees are likely to be carried on by part-time workers, the teaching staff or not at all.

[2] The median salary as reported by the source was scaled down to even hundreds (egs. 1,560 taken as 1,500) on the ground that the median was probably higher than the arithmetic average because of a slightly skewed distribution.

TABLE XIV

OPERATING BUDGETS, TOTAL COMPENSATION AND NUMBER OF FULL-TIME EMPLOYEES IN PUBLIC SCHOOL SYSTEMS

	Number of full-time Employees	Total compensation (in thousands)	Total operating budget[a] (in thousands)	Percentage compensation of operating budget
General control	13,493	$59,300	$68,426	
Instruction	849,502[b]	1,061,583	1,127,009	
Operation of school plant (janitors, engineers, etc.)	55,091	100,659	181,911	
Clerks, nurses, attendance officers	18,600	25,000	160,528[c]	
Miscellaneous current expenses (less interest on indebtedness)				
Total	936,686	$1,246,542	$1,537,874	81%

[a] Figures in this column are taken from Bulletin No. 39, pp. 32, 34.

[b]	
Teachers	814,169
Supervisors	8,400
Principals	26,933
	849,502

[c] In keeping with our usual procedure $71,901,000 was subtracted from miscellaneous current expenses because this is entered as "interest on indebtedness," p. 34.

TABLE XV

RATIO OF PART-TIME MAN-YEARS TO FULL-TIME MAN-YEARS

State	
General administration	.11
County	
Metropolitan	.13
Urban	.21
Rural	.54

Towns and Cities	
Under 10,000	.49
10–50,000	.10
50–100,000	.08
100–250,000	.06
250–500,000	.12
Over 500,000	.004
County-city consolidations	.06

basis of such returns as were at hand.[1] Ratios between the numbers of full-time and part-time workers were worked out for the units reporting both groups and such ratios applied to the several divisions. The results are included for what they may be worth. It will be noted that no estimates are entered for federal and public school employees although efforts were made to secure the pertinent information. The number of part-time workers in the payrolls of the federal government and the schools systems of the country would materially increase the totals.

---

[1] Questionnaire material was available for the following groups: 20 states, 109 counties, 266 cities. But the extent of employment in terms of man-days was reported for only two-thirds of the various jurisdictions and the compensation for a much smaller number. The following table shows the ratio between the part-time "man-years" (*i.e.* total number of "man-days" divided by 300) and full-time "man-years" in the various jurisdictions reporting.

Combining the figures found in the summaries of the preceding sections the following totals appear:

TABLE XVI

SUMMARY TABLE—NUMBER OF EMPLOYEES IN GOVERNMENT SERVICE, COMPENSATION AND OPERATING BUDGET OF 1926[1]

Jurisdiction	Number of full-time employees	Number of part-time employees	Total compensation for full- and part-time employees (in thousands)	Operating budgets (in thousands)	Compensation divided by operating budget (percentage)
Federal	848,349	No data	$1,200,867	$1,715,397	70%
States Administration	153,226	137,000	218,492	602,558	36
Education	68,123	......	114,979	192,898	60
Counties	142,415	278,000	258,952	601,310	43
Towns and cities	534,897	527,000	858,817	1,534,785	56
Public school system	936,686	No data	1,246,542	1,537,874	81
Totals	2,683,696	942,000	$3,898,649	$6,184,822	63%

[1] Data for the federal government are for 1926-27.

The significant figures in the foregoing table are as follows:

Operating budgets	$6,184,822,000
Compensation	3,898,649,000
Percentage—compensation of operating budgets	63%
Full-time employees	2,683,696
Part-time employees (partial)	942,000

On the basis of our computations, which have probably erred in the direction of conservativeness, it would appear that between three and one-half and four million people had more or less regularly some employment relationship to government in 1926. That is to say that one out of every eleven wage-earners was at one time or another in the course of the year a public employee. Government taken as a whole was then with its nearly four-billion-dollar payroll the largest employer of workers in the country. If one considers the essential character of the services performed by it, it was easily the most important of all employers. It is also to be noted that over one-half of the operating expenditures are absorbed by payrolls; in some categories, two-thirds or more is used for the purpose of compensating the personnel.

In the light of these facts the imperative need of adopting a progressive employment policy in the public services will not be disputed. Such a policy should aim not alone to bring satisfaction to public servants in the course of their regular work by stimulating interest, awarding salary increases and making promotions according to merit, but also to raise the prestige of governmental service, so that it may increasingly appeal to the better qualified young people as offering a satisfactory career for their life work. We may well take a leaf out of the book of foreign countries, particularly of England, where the public school and university systems are definitely tied in with government employment and where the better qualified young people are not alone encouraged to look forward to, but, as a matter of fact, do look forward to public employment as a satisfactory life career. It is an anomaly that while governmental control is steadily advancing into most of the important areas of modern life, the public service is still so little attractive to the abler young people. To them it represents a second or third or even fourth choice. If this investigation results in pointing up this problem it will have served a useful purpose.

Finally, let it be emphasized that the inadequacy of public reporting and the difficulties involved in securing data from all public authorities made it necessary to depend on estimates and approximations. It is believed, however, that a broader basis for estimating the number of full-time employees and annual compensation has been set up in this study than in previous computations. This is the justification for what is confessedly an inadequate investigation. It is to be hoped that it may serve to stimulate better reporting on this important phase of administration and also further local investigations whereby a broader basis for a comprehensive study may be provided.

APPENDIX

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Federal

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State and Local Units within the State

Alabama

Mrs. C. C. McCall, Montgomery, Ala.

Arizona

Arizona Bureau of Municipal Information.

C. O. Case, Superintendent of Public Instruction, Phoenix, Ariz.

Civil Service Reform Association.

Frank Dennis, Editor, Oklahoma Daily, Norman, Okla.

Arkansas

H. C. Pepper, Department of History and Political Science, University of Arkansas, Fayetteville, Ark.

California

Chester C. Ashley, Deputy Auditor, Los Angeles, Calif.

Charles C. DeWolf, Secretary, Civil Service Board, Oakland, Calif.

E. F. Garrison, Auditor, Alameda County, Calif.

W. H. Nanry, Director, Bureau of Governmental Research, San Francisco, Calif.

David J. Reese, Civil Service Commission.

Ava Whallon, Department of Education, Sacramento, Calif.

Colorado

Edison H. Cramer, University of Colorado, Boulder, Colo.

Mrs. Marjory Griffith, State Department of Public Instruction, Denver, Colo.

Fred W. Maitling, Colorado Municipal League, University of Colorado, Boulder, Colo.

Connecticut

Margaret A. Daley, Bridgeport, Conn.

Charles J. McNamara.

Harland C. Stockwell, Chicago Bureau of Public Efficiency, Chicago, Ill.

Roger M. Thompson, State Board of Education, Hartford, Conn.

Delaware

Civil Service Reform Association.

Russell Ramsey, Taxpayers Research League, Wilmington, Del.

Florida

C. A. Bingham, City Manager, Norwood, Mass., formerly Miami Beach, Fla.

Angus Laird, Department of History and Political Science, University of Florida, Gainesville, Fla.

Georgia

J. W. Campbell, School of Commerce, University of Georgia, Athens, Ga.

L. K. Smith, Attorney, Carrollton, Ga.

Idaho

Civil Service Reform Association.

George W. Lewis, State Budget Officer, Boise, Idaho.

Pocatello Chamber of Commerce.

Illinois

Civil Service Reform Association.

J. L. Jacobs, Management Engineers and Accountants, Chicago, Ill.

Kewanee Chamber of Commerce.

Mrs. Roy A. Lee.

Richard C. Spencer, Urbana, Ill.

Indiana

Miss Minnette Baum.

Civil Service Reform Association.

C. S. Hyneman, Political Science Department, University of Illinois, Urbana, Ill.

Wilfred B. Stewart, Bloomington, Ind.

W. J. Stewart, University of Indiana, Indianapolis, Ind.

Iowa

C. A. Crosser, Secretary, Bureau of Municipal Research, Des Moines, Iowa.

Mason City Chamber of Commerce.

Dr. J. A. Snisber, State Historical Society of Iowa, Iowa City, Iowa.

Kansas

Civil Service Reform Association.

John G. Stutz, City Managers Association, Lawrence, Kans.

Kentucky

J. R. Bullock, Political Science Department, University of Kentucky, Lexington, Ky.

Civil Service Reform Association.

Maine

Civil Service Reform Association.

Orren C. Hormell, Political Science Department, Bowdoin College, Brunswick, Maine.

Maryland

Katherine Trundle, Hood College Library, Frederick, Md.

Massachusetts

Civil Service Reform Association.

Mabel W. Kent, Worcester Women's Club, Worcester, Mass.

H. C. Stockwell, Chicago Bureau of Public Efficiency, Chicago, Ill.

Michigan

S. C. Chapin, City Manager, Three Rivers, Mich.

Bureau of Municipal Research, Detroit, Mich.

Civil Service Reform Association.

Greater Muskegon Chamber of Commerce.

Loren B. Miller, Ann Arbor, Mich.

Minnesota

Walter W. Finke, University of Minnesota, Minneapolis, Minn.

Civil Service Reform Association.

L. B. Hanson, Personnel Division, Department of Administration and Finance, St. Paul, Minn.

Taxpayers League of St. Louis County, Duluth, Minn.

Mississippi

J. W. Bell, University of Mississippi, Oxford, Miss.

Ben Gray Lumpkin, Jackson, Miss.

Missouri

C. W. Atkins, Director, Bureau of Municipal Research, St. Louis, Mo.

John Grainger, Kansas City, Mo.

Montana

Imogene Ellis, Missoula, Mont.

Nebraska

Civil Service Reform Association.

Mrs. F. H. Cole, Omaha, Neb.

Nevada

Walter Anderson, Superintendent of Public Instruction, Carson City, Nev.

New Hampshire

Thorsten V. Kalijarvi, Department of Political Science, University of New Hampshire, Durham, N. H.

New Jersey

Civil Service Reform Association.

Hoboken Chamber of Commerce.

H. V. Morse, Assistant Commissioner of Education, Trenton, N. J.

Arnold Miles, Staff Assistant, School of Citizenship and Public Affairs, Syracuse University, Syracuse, N. Y.

P. Henry Jensen, Department of Public Instruction, Trenton, N. J.

New Mexico

Bernice Piatt, Auditor's office, Santa Fe, N. M.

New York

Miss Eldred Johnstone, National Civil Service Reform League, New York, N. Y.

Dr. Joseph McGoldrick, Columbia University, New York, N. Y.

H. C. Stockwell, Bureau of Public Efficiency, Chicago, Ill.

Stephen B. Story, City Manager, Rochester, N. Y.

North Carolina

A. M. Arnett, Political Science Department, North Carolina College for Women, Greensboro, N. C.

North Dakota

C. A. Tuskind, County Auditor, Fargo, N. D.

Ohio

R. C. Atkinson, Ohio Institute, Columbus, Ohio.

Arnold Miles, former Staff Assistant, School of Citizenship and Public Affairs, Syracuse University, Syracuse, N. Y.

Bertha Oberle, Logan, Ohio.

H. S. Patton, Bureau of Municipal Research, Cincinnati, Ohio.

Virgil Sheppard, Committee of Publicity and Efficiency, Toledo, Ohio.

Oklahoma

Civil Service Reform Association.

Guthrie Chamber of Commerce.

M. L. Mannen, Oklahoma Municipal League, Norman, Okla.

Oregon

Virginia E. Fox, Portland, Ore.

C. C. Ludwig, Secretary, Tax Supervising and Conservation Commission, Multomah County, Portland, Ore.

Paul A. Sayre, University of Oregon, Eugene, Ore.

Pennsylvania

W. E. Beyer, Director, Bureau of Municipal Research, Philadelphia, Pa.

Civil Service Reform Association.

H. W. Correll, Statistician, Chamber of Commerce, Pittsburgh, Pa.

Martin L. Faust, University of Missouri, St. Joseph, Mo.

Mrs. A. B. Geary.

Arnold Miles, former Staff Assistant, School of Citizenship and Public Affairs, Syracuse University, Syracuse, N. Y.

Rhode Island

H. C. Stockwell, Bureau of Public Efficiency, Chicago, Ill.

South Dakota

Civil Service Reform Association.

Lawrence K. Fox, Pierre, S. D.

Tennessee

Chattanooga Chamber of Commerce.

J. W. Manning, University of Tennessee, Nashville, Tenn.

F. W. Prescott, University of Chattanooga, Chattanooga, Tenn.

Isadore Silverman, University of Chattanooga, Chattanooga, Tenn.

Texas

Civil Service Reform Association.

El Paso Chamber of Commerce.

Howard Ferguson, Good Government Association, Fort Worth, Texas.

League of Texas Municipalities.

Emma S. Webb.

Utah

Newell Frei, Provo, Utah.

Clark Frei, Santa Clara, Utah.

I. P. Humphrey, Salt Lake City, Utah.

Vermont

Civil Service Reform Association.

K. R. B. Flint, Bureau of Municipal Affairs, Norwich University, Northfield, Vt.

H. C. Stockwell, Bureau of Public Efficiency, Chicago, Ill.

Virginia

Civil Service Reform Association.

C. A. Harrell, City Manager, Portsmouth, Ohio.

S. P. Waddill.

Washington

Elmer H. Bartlett, County Auditor, Spokane, Wash.

Billingham Chamber of Commerce.

L. D. Burrus, Department of Education, Olympia, Wash.

Russell G. Paterson, Comptroller, Tacoma, Wash.

West Virginia

William Foster, Buckhannon, W. Va.

Wisconsin

Ford H. MacGregor, University of Wisconsin, Madison, Wis.

Joseph Pois, University of Wisconsin, Madison, Wis.

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CONTENTS FOR FEBRUARY

Editorial Comment . . . . *H. W. Dodds* 77
Headlines . . . . *Howard P. Jones* 81
The President's Housing Conference—And Later *Harold S. Buttenheim* 83
Milwaukee Financially Sound and Contented . . *Daniel W. Hoan* 88
What Municipal Home Rule Means Today
II. Minnesota: A Reappraisal . . . . *William Anderson* 94
Has the Indiana Plan Been a Success? . . . . *Observer* 100
The Los Angeles Bureau of Budget and Efficiency *John M. Pfiffner* 107
Special Assessments and City Planning . . . . *Paul A. Bankson* 110

DEPARTMENTS

I. Recent Books Reviewed 114
II. Judicial Decisions . . . . *Edited by C. W. Tooke* 118
III. Public Utilities . . . . *Edited by John Bauer* 124
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 128
V. Notes and Events . . . . *Edited by H. W. Dodds* 132

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THE LEAGUE'S BUSINESS

Committee Appointed to Prepare Model Special Assessments Law.—As announced on this page last month, the National Municipal League is forming a committee to prepare a recommended model state law regulating special assessments in local governments. Murray Seasongood, president, has asked the following to serve as members of this committee:

Carl H. Pforzheimer, New York, *chairman*
C. E. Rightor, Detroit Bureau of Governmental Research, *secretary*
F. Seymour Barr, Barr Bros. & Co., New York
Paul V. Betters, executive secretary, American Municipal Association, Chicago
Carl H. Chatters, International Association of Comptrollers and Accounting Officers, Detroit
Philip H. Cornick, Institute of Public Administration, New York
Welles A. Gray, Department of Finance, U. S. Chamber of Commerce
John S. Harris, Stranahan, Harris & Co., Toledo
Walter Matscheck, director, Civic Research Institute, Kansas City, Mo.
Herbert U. Nelson, secretary, National Association of Real Estate Boards, Chicago
Edward Nugent, city counsel, Elizabeth, N. J.
Lawson Purdy, New York
Clarence E. Ridley, executive secretary, International City Managers' Association, Chicago
Walter S. Schmidt, Frederick A. Schmidt Co., Cincinnati
Herbert D. Simpson, Institute for Research in Land Economics and Public Utilities, Chicago
Harold A. Stone, California Taxpayers Association, Los Angeles
Benjamin F. Taylor, Town Supervisor, Harrison, N. Y.
C. W. Tooke, School of Law, New York University

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More Honors for our Honorary Secretary.—Clinton Rogers Woodruff, honorary secretary of the National Municipal League, has been appointed Director of Public Welfare of Philadelphia by Mayor J. Hampton Moore. Mr. Woodruff served as chairman of the Registration Commission in Mayor Moore's first administration. Since that time he has been an assistant city solicitor. Mr. Woodruff has had a distinguished public career. From its formation in 1893 to 1920 he was secretary of the National Municipal League and editor of the NATIONAL MUNICIPAL REVIEW and the National Municipal League Book Series. He also served for four years as president of the Civil Service Commission of Philadelphia, and, as a trustee of the Free Library, was chairman of the committee in charge of construction of the new main library building. He is prominent in welfare and church work and is chairman of the Diocesan Social Service Department of the Episcopal Church. Among his other duties and connections he is a member of the board of directors of the Public Charities Association of Pennsylvania, of the Social Service Exchange, and the Church Mission of Help. For his work among the Roumanians during the World War he was decorated by the late King of Roumania.

Mr. Woodruff's friends in the National Municipal League, who include practically all of the membership, will be delighted to learn of this latest honor which has been conferred upon him.

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Civic Education by Radio.—The National Broadcasting Company, through the National Advisory Council on Radio in Education, has offered a half hour each week on a coast to coast hook-up for four years for broadcasting addresses on government and civics. This generous offer of broadcasting facilities was made by the Council to Thomas H. Reed, vice president of the National Municipal League, in his capacity as chairman of the Committee on Policy of the American Political Science Association. An advisory committee of fifteen has been created to coöperate with the Council in the preparation of a four-year program and funds are being raised to finance the undertaking. Murray Seasongood, president, has been appointed a member of the advisory committee representing the National Municipal League. Other members of the National Municipal League on the advisory committee are: Charles A. Beard, Joseph McGoldrick, Charles E. Merriam, Thomas H. Reed and Chester H. Rowell. This program has great possibilities and can scarcely fail to further the cause of better citizenship.

RUSSELL FORBES, *Secretary.*

Editorial Comment

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February

NATIONAL MUNICIPAL REVIEW

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With insufficient funds in the treasury to meet city and county salaries due on January 1, J. Hampton Moore was inaugurated on January 4 as the 112th mayor of Philadelphia. In opening the city council the president of that body refused to be downhearted, declaring that the delinquent taxes were "golden assets of accounts receivable."

In spite of the acute situation in the city treasury, Philadelphians anticipate a more satisfactory administration under Mayor Moore than they have enjoyed for the last two terms. Among some notable appointments was the selection of Clinton Rogers Woodruff to be director of public welfare.

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The fate of the New Jersey Ripper Legislation, which was determined by the State Court of Errors and Appeals recently, is ably discussed in the Judicial Decisions department of this issue by Spaulding Frazer of the New Jersey Bar. The decision treats of intricate points of law of interest to students of municipal government; and we commend the note as an example of one case where ripper legislation failed.

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Citizens' organizations are springing up in many cities and demanding material cuts in city budgets. In the Notes and Events department of this issue is a brief account of the Louisville Property Owners' Association, as well as a story of the Boston agitation for a complete reassessment of real estate. Philadelphia's city hall has been invaded by several thousand irate citizens, and the work of the Detroit Committee on City Finance, Lent D. Upson, secretary, is well known. The Trenton, New Jersey, commission contemplated a budget calling for a 20-point increase in the tax rate, but a citizens' mass meeting convinced them that this is not the time to talk heavier taxation. Experts retained by a taxpayers' group have pointed out possible savings totaling 10 per cent of the budget.

In other cities similar revolutions are occurring. The taxpayers are mad. There is no inclination to permit a further divergence of the property value curve and the tax curve. Wise political officials are coöperating with irate citizens. But not all city fathers are wise and the ugly mood of the taxpayers has called out abuse from the officials. Shrewd politics, irrespective of other considerations, call for conciliatory tactics rather than bad tempers on the part of our municipal governing authorities.

*

Walter T. Arndt, former secretary of the Citizens' Union and a veteran reform leader of New York, died on December 24 from injuries received in an automobile accident. Mr. Arndt had a varied experience in journalism and public affairs. For a number of years he was assistant editor of the International Yearbook and served on the staff of the New International Encyclopedia and later on the Encyclopedia Britannica. For several years he was legislative correspondent and political editor of the *New York Evening Post.* In 1913 he began his career as secretary of various reform organizations. He also acted as secretary of the State Reorganization Committee of which Charles Evans Hughes was chairman and which drafted the consolidated administrative code of the state. Since leaving the Citizens' Union in 1928 Mr. Arndt was engaged in business but found time to act as secretary of the Committee of One Thousand now striving to clean up the municipal government of New York.

*

Milwaukee's Enviable Financial Condition In this issue the mayor of Milwaukee explains why his city deserves the national attention it is receiving for its favorable financial condition.

Mayor Hoan states that but 18 cents of the city property tax dollar in Milwaukee goes to debt service. Less than 23 per cent of the budget of the city council, according to the Citizens' Bureau of Milwaukee, will be devoted to this purpose in 1932. These figures are most commendable. However, it is only proper to add that the first payment of principal on the city's share ($17,319,912, December 31, 1931) of the metropolitan sewerage system will not be paid till 1933, at which time Milwaukee's debt charges as reflected in the county expenditures will mount rapidly. But in New York 42 cents goes to this purpose and 50 cents is not unusual in some cities. Those who have guided Milwaukee's destiny seem to have an old-fashioned hostility to debt. They have worked to put Milwaukee on an advanced pay-as-you-go basis, and have succeeded in a large measure. Through intelligent use of the city's cash and modern fiscal control the transition was accomplished without hardship to the taxpayer.

The city administration promptly discovered that because of loose budget practices operating deficits occurred each year which rolled up unhealthy floating debts. The first step, therefore, was to introduce a balanced budget and to enforce obedience to it. They also found that the city was borrowing (as the majority still do) for current expenses in anticipation of taxes not yet paid. By building up a reserve to carry the city from the beginning of the fiscal year to tax collection time they have eliminated the cost of tax anticipation loans. Borrowing on long-term bonds for recurring capital expenditures next attracted attention. Paying contractors by certificates bearing 6 per cent interest which were later funded into bonds was likewise revealed as a waste of public moneys. By putting the recurring expenses on a pay-as-you-go basis and by accumulating a revolving fund for the payment of contractors in cash when the improvement was eventually to be paid for from bonds, Mayor Hoan estimates that the city has been saved almost $400,000 annually in interest.

Centralized purchasing spells economy to the amount of $900,000 a year under the old decentralized system. (The Milwaukee purchasing bureau is one of the best in the United States.) Business-like investment in short-term government and municipal paper of surplus cash for which there is no immediate need, instead of depositing it in banks at 2 per cent interest, earns another $100,000 for the taxpayers.

The Citizens' Bureau of Milwaukee, a nonpartisan research organization, points out that the city since 1930 has been reducing expenditures, an accomplishment also rather unique in recent municipal history. 1931 expenditures under city council jurisdiction represented a decrease of 2 per cent under 1930 and the tentative budget for 1932 carries a 5 per cent decrease under 1931. In other words, the grand total of the 1932 city council budget is more than $1,800,000 less than for the year 1930.

It is clear that there is no magic in Milwaukee's methods or accomplishments. There have merely been applied to the financing of a city the same alert policies that a well run business would employ. Mayor Hoan and his associates have viewed the city as a public service corporation with a primary obligation to protect its own financial position. They have not been led astray by theoretical, and unreal, distinctions between municipal finance and private finance. Today, when municipal bankruptcy has become more than an oratorical expression, will anyone dispute the soundness of Milwaukee's viewpoint or disparage its efforts to make the municipal government financially self-sufficient?

Mr. Hoan has been mayor of Milwaukee since 1916. From 1910 to 1916 he was city attorney. Some of the reforms which he discusses were put into effect while he served in this office; others were not effected until he became mayor. Naturally he speaks as a defender of his administration. Some of his statements have been disputed by critics and political opponents. We expect next month to present an outside estimate of Milwaukee's accomplishments in a general article on the city's financial condition.

*

Deflating Government Is government inflated? If so, can it be deflated? The Detroit Bureau of Governmental Research states the situation thus:

> A nation buying fourteen billion dollars worth of government from a prosperity income of 90 billion dollars, finds itself buying government to the same amount but from an income reduced to, say, 65 billion dollars.

Government, continues the Detroit Bureau, will operate on an unflated scale so long as it can.

Everyone shouts for tax reduction. But efforts to shorten payrolls bring political repercussions unpleasant to office holders. Tax reductions through elimination of services bring protests from the innocent taxpayers themselves, not to mention the wheel horses of politics. Moreover, certain functions of government become more important in times of distress; some services must be expanded rather than curtailed. A uniform horizontal cut in all activities would be most unwise.

Undoubtedly great economies in government can be attained without reduction in services. Elimination of overlapping governments, greater personnel efficiency, better accounting control, simplified administrative structure, spell savings without curtailment. It is too bad that in boom times these are only academic questions for most people.

But regardless of possible economies through improved efficiency, the time has come to reëxamine our standard of public living. When private standards were sky-rocketing upward it was natural and proper that public standards would move in a like direction. It was natural that cities and states should increase their borrowings when the whole world was piling up debts. The very interests protesting against public debt were themselves caught in a mania of private borrowing. Eager lenders and receptive borrowers were not peculiar to American government.

But is it desirable today that the 1928 standards of governmental living be retained? Is every taxpayer in fact entitled to boulevard paving in front of his property? Have we overdone highway construction? Has installment buying by governments gone too far? What are the limits to the tax capacity of the public?

Such are some of the difficult questions which our governing bodies will have to decide in the next few months. They do not admit of precise solution in mathematical terms. Nevertheless, the budgets of our national, state and local governments, consciously or unconsciously, constitute the people's answer to them. It is to be hoped that the narrow line will be found between socially excessive and socially necessary expenditures in a changing world.

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St. Paul's Salary Index Suspended as Prices Fall

The St. Paul system of adjusting municipal salaries to the cost of living as set by the index published by the United States bureau of labor statistics was suspended when the index for June, 1931, indicated that a cut of 9 per cent or more would be in order on January first of this year. Agitation, begun when the prospective cut became known, influenced the council to omit the automatic decreases for the year 1932.

Introduced in 1922, the St. Paul device[1] provided for an average 50 per cent increase in wages over 1916, which was taken as the base year. In adjusting wages at the outstart the full percentage increase over 1916 was allowed only to the lower paid employees on the popular theory that the higher paid are not affected so seriously by a rise in the cost of living. In 1924 and 1927 wages were adjusted upwards in accordance with the cost of living index. In 1928 they were adjusted downward to the 1922 position and on January first of last year another decrease of 3 per cent was made, bringing salaries below the 1922 level. A further reduction which would have brought salaries to about 40 per cent above the 1916 level has been held up, as already described.

The system evidently worked satisfactorily as long as the trend of prices was upward. Based, as it was, upon a scientific classification plan, it protected the city council and prevented discriminatory treatment of various classes of employees.

Whether this mechanism can be expected to work so well in reverse is debatable. One thing is certain, however, that wage decreases are less popular than wage increases and the flexibility of the plan is wrecked, for the time being at least, on the rock of falling prices.

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[1] For full description see John B. Probst, "St. Paul Adopts a Stabilized Wage," NATIONAL MUNICIPAL REVIEW for October, 1926.

HEADLINES

Twenty-two million dollars a year can be saved by Chicago if the recommendations of the mayor's advisory commission for reorganization of the administrative departments are carried out, according to the report of this body, of which Sewell L. Avery, prominent entrepreneur, is chairman. It's now time for Big Bill Thompson to sing, "That's where my money goes."

* * *

A movement for an independent ticket in the municipal elections of 1933 has been launched in New York by the Committee of One Thousand, of which William J. Schieffelin is chairman.

* * *

In the first successful recall election in the history of Pasadena, California, voters discarded the entire board of city directors and replaced members with candidates sponsored by the Pasadena Association, whose leaders had charged the recalled group with bickering and inability to coöperate for the city's welfare.

* * *

Adjustments in public payrolls comparable to those of private industry are demanded by the Utah Taxpayers' Association in a resolution passed at its recent annual convention. More cutting of salaries to help stimulate buying in a depression!

* * *

Chicago municipal employees have all received cuts of from 20 to 27 per cent. But they're lucky, compared with the teachers to whom the board of education owes $20,000,000 in back pay.

* * *

Unless all "backdoor" financing is barred, the victory of Philadelphia taxpayers in preventing an increase in the 1932 tax rate will be a hollow one, the Philadelphia Bureau of Municipal Research emphasizes. Previous administrations take a bow.

* * *

American cities cannot much longer bear the awful load of partisan administration, declares Mayor Russell Wilson of Cincinnati, quoted in the monthly bulletin of the Union League Club of Chicago.

Legislation to place the credit of the state behind short-term municipal borrowing is being considered by Governor Ely of Massachusetts to tide the cities over the period of stress.

* * *

The Melrose Park, Illinois, fire department now operates on a strictly cash basis! Unpaid for five months, when answering an alarm, they now ask the owner if he will pay to have the blaze extinguished before they go to work, according to newspaper reports.

* * *

News of salary suspensions, funds running low, and similar cheering events is becoming so common these days that the really big news is the city that's getting along all right. Reporters are inquiring now about Cincinnati, Milwaukee and Richmond.

* * *

Some busy statistician has figured out that every baby born in Chicago starts life with a debt of $95, if only municipal borrowing is considered. Including county, state and federal debts, his handicap is $250!

* * *

Another campaign for metropolitan government in the Cleveland area has been launched by the Borough Plan Committee, which will ask the legislature to pass permissive legislation. This will probably tie up with the state-wide movement for county home rule.

* * *

Few cities in the country these days can boast of collecting more money than they expected. But, according to newspaper reports, Richmond, Virginia, ended its fiscal year January 31 with collected revenues exceeding estimated income by more than $100,000. Richmond must be prosperous, or else a ripsnorting tax collector has done the impossible!

* * *

Concurring in the recommendation of the Virginia state commission on county government that a law be passed by which the amount of the default of any county may be paid by the state out of any state appropriation coming to the county, Governor Pollard urged the measure as the most effective way to protect the credit of other counties. Approving the work of the commission, he said that unless county government is improved, "local self-government in this state will be endangered."

* * *

Inferentially pointing to the City Manager Plan and specifically mentioning proportional representation, Samuel Seabury in his report on the investigation of the government of New York City, stressed the importance of structural changes to correct the conditions that are being revealed. This may be one investigation that leads somewhere!

Howard P. Jones.

The President's Housing Conference—and Later

THIRTY-ONE committees with a total membership of 540 presented 31 printed reports and unnumbered appendices to the 3700 delegates attending the President's Conference

BY HAROLD S. BUTTENHEIM *Editor, The American City*

DEVICES and procedure for the improvement of housing conditions, ranging all the way from the possible invention of a mechanical pot-washer for installation in the kitchen, to a possible amendment to the Constitution of the United States, were suggested in the committee reports and discussions at the great meeting, in Washington in December, of the President's Conference on Home Building and Home Ownership.

For mere size the gathering was a notable one. Its complexion and complexity, likewise, were of more than passing interest. From every state in the Union came, as official or unofficial delegates or guests, men and women interested in all phases of the housing problem. The registration totaled some thirty-seven hundred. In preparation for the meeting, preliminary plans for which President Hoover had announced over a year previously, twenty-five "fact-finding" committees and six "correlating" committees, with a total membership of 540, had held many a protracted meeting. These committee labors had resulted in thirty-one printed reports, copies of which were distributed freely at the various sessions, and in many mimeographed appendices, obtainable while they lasted, by those who made special request for them.

The Editor of the NATIONAL MUNICIPAL REVIEW has done wisely in asking that the present discussion be limited to three thousand words; for anything approaching a verbatim publication of the reports, appendices and discussions at the thirty-four sessions of the Washington conference would require more nearly three million words.

GOVERNMENT AND HOUSING

If it may be assumed that most of the REVIEW's readers are interested in the relationship of government to the housing problem, it may be wise to devote most of our limited space to that phase of the subject. The list of conference committees contained none in which the word "government" appeared. It was inevitable, however, that many of the committees would urge more adequate laws and more effective enforcement by states and municipalities in the *prevention* of housing ills, and that some of them would cast at least sidewise glances in the direction of more positive action by these government units in the *promotion* of housing betterment. A few quotations may be of interest:

Committee on City Planning and Zoning:

> Lack of stability of values caused by the shifting of populations from one district to another

has a detrimental effect on home ownership. City planning in practice has been predicated upon endless growth of the city. Zoning regulations have been too liberal. The need for city planning and zoning is not based upon *growth* but upon a *very definite scale of growth.* City planning and zoning are instrumentalities through which there may be brought about a greater fixation of areas based upon the probable future population of the municipality distributed in accordance with a balanced arrangement. The study of the probable increase in population will take into account, among other things, modern social factors, changes in the immigration laws, and the mechanization of agriculture. The layout of the city will not then be based upon an endless expansion at the edges with a constant deterioration nearer the center, but will be so controlled that these more central areas will provide amenities sufficient to withstand blighting and deteriorating influences. Until this conception of city planning in relation to housing is adopted, there will continue to be a lack of stability in values and in population pattern and these will consequently continue the lack of invitation to many potential home owners.

Committee on Large-Scale Operations:

The successful development of large-scale operation is dependent upon certain adjustments in present laws, codes, and restrictive measures. Since all of these have been predicated on either individual or small-scale methods, readjustments are both desirable and inevitable. In addition to these more obvious changes, the all-around advantages of large-scale construction warrant special encouragement in the form of public concessions in so far as these do not entail interference with, or losses to, other desirable forms of enterprises. Large low-cost housing projects will not only benefit those who are better housed, but will be advantageous to communities, particularly in the development of inactive areas in which public improvements are now inefficiently used, entailing loss to the whole city.

The controlling factors that limit or make difficult the immediate and comprehensive application of large-scale operation principles are: (1) legislative and other regulatory restrictions; (2) antiquated building practice; (3) difficulty in land assembly; (4) lack of adequate financing. . . .

One of the major problems in the application of large-scale operation arises from the necessity of assembling large areas of land at reasonable cost. To facilitate the solution of this problem, it is recommended that the soundest laws on land assembly now used by public bodies be adopted, and participation in such benefits be allowed to limited dividend corporations under state and local supervision. Condemnation privileges are now granted to such private or semipublic enterprises as railways, ferries, public utilities, market-places, airports, and cemeteries. If corpses acquire a domicile by these methods, by what logic can we deny them to a living person who wishes not to dig a grave but to erect a house? A subject of so great public benefit as housing for lower-income groups should certainly be entitled to privileges comparable with those enumerated above.

Committee on Finance:

To insure greater stability in home property values, and to help correct over-built or underbuilt conditions where they exist, the establishment of a permanent fact-finding bureau within the Department of Commerce is recommended to coöperate with local units of national organizations through the tabulation and distribution periodically, by districts, of dependable information regarding occupancy surveys, mortgages and trust deeds recorded, real estate transfers, new subdivisions opened, new construction, construction costs, rental trends, land value trends, interest rates, and foreclosures. . . .

The committee recommends that adequate statutes be adopted by the various states in the interests of sound home finance and the public, to the end there may be proper supervision over local mortgage-lending agencies and adequate publicity to periodic financial statements of these agencies. The committee believes this recommendation will do much to insure the maximum amount of liquidity possible in mortgages. . . .

The relationship of proper governmental administration to property values is obvious. It is important to bring to the attention and knowledge of home owners as well as tenants the fact that the security of their home ownership, as well as the cost of their rent, depends to a considerable extent upon the efficiency and honesty of the government of their municipality, as well as upon its willingness to give reasonable service in respect to schools, parks, playgrounds, streets, etc.

Committee on Taxation:

The common practice of improving new subdivisions by the use of public funds should be, if not entirely abandoned, then at least severely restricted. The improvement of subdivisions by the owner, at his own expense, on city plans and specifications, and subject to city inspection, has in some cities been made a prerequisite to the recording of a subdivision plan. The plan has entirely eliminated the losses due to delinquencies in such areas, losses which have assumed disastrous proportions in many cities, and has at the same time preserved intact the full measure of the city's police power over land uses. If cities generally had adopted the policy ten years ago of refusing to extend public credit to private speculators, that step alone would have gone far to prevent much of the harm which has been done by loose, special assessment financing, and by the premature subdivision and improvement of suburban areas.

Correlating Committee on Standards and Objectives:

There should be

1. A definite policy and program for the treatment of blighted areas and slums.
2. Express legal power to proceed to clear areas because they are insanitary or because the public interest requires it.
3. Legal authority to demolish structures that have reached a point of deterioration so that they are hazardous to health, safety or morals.
4. A fair basis of compensation for property taken—fair to the property owner and fair to the taxpayer.
5. Legal authority to replan areas so unsuitably planned or so covered by substandard, obsolescent or deteriorated structures that their continued use or presence jeopardizes public welfare and municipal economy.
6. Comprehensive replanning and rezoning of such areas in harmony with the city's master plan and designed to secure the best economic and social use of the sites as they are cleared from time to time, so that private owners engaged in altering or replanning structures will be influenced to conform to such plans for future development.
7. A sound financing program for municipal improvements that will provide for a sharing of the costs and a recovery of expenses that will not make such schemes prohibitive.
8. An applied municipal program for the supervision of structures and the promotion of municipal projects that will help to prevent the future development of blighted areas.

MUST HOUSING BECOME A PUBLIC FUNCTION?

The foregoing quotations are from the printed reports, representing unanimous or compromise agreement among the members of the respective committees. Some of the thirty-one reports show exceedingly skillful steering along the middle of the road, with avoidance of serious deflection either from the uprising of the radicals or from the downsitting of the conservatives. Others, however, are obviously the work of committees dominated by ultra-conservative majorities. In some cases material too radical for the printed reports has found its way, under the names of individual sponsors, into mimeographed appendices.

One such is the brief document entitled "Better Housing through Rational Taxation"—one of the eight appendices to the report of the Committee on Blighted Areas and Slums. Another is the 46-page mimeographed "Special Report of the Committee on Business and Housing," signed by Richard T. Ely, President of the Institute for Economic Research (affiliated with Northwestern University). This monograph, conservative certainly in the main, contains the following significant paragraph:

> It must be admitted that so far private industry has not been equal to the task of giving all our people satisfactory housing, and that it has failed miserably in meeting the need of millions of people with low incomes. We have our terrible, disgraceful and demoralizing conditions

found in the slums of our great cities. Should it then be said that because so far private industry has not furnished satisfactory housing for a large proportion of the urban population, and for a smaller proportion of the rural population, we should separate out the task altogether from private industry and make it a public undertaking? What I, for my part, am prepared to admit, is this: we should carefully investigate the desirability of separating out from private industry the housing of the poorest people in our country and making that a public function. Where government enters in, private industry should step out—and must step out. If we do separate a part of the task of providing housing for the people from private industry and make it a public undertaking, then the housing of the people otherwise is a private undertaking without direct government competition.

There was no discussion at the Washington conference which would indicate the extent of the support or opposition to Dr. Ely's indictment of private industry or of his suggestion that the housing of the lower-income groups may have to become a public function in America.

But if we may assume general agreement with President Hoover's belief that "it should be possible in our country for any person of sound character and industrious habits to provide himself with adequate and suitable housing," the alternatives suggested by Louis Brownlow, in Appendix E of the Committee report on Large-Scale Operations, seem inescapable:

> It is the lowest-income groups of workers and would-be workers who live in the worst of the slums. Thus far, so far as I can learn, nobody has found a way to house families of this type if they be required to pay a rent that will produce a return upon the capital cost of the housing. The payment of such a return is contemplated, at any rate, in the types of housing considered under governmental regulation and under governmental participation. But for these families of the lowest-income levels—their number is a startlingly large proportion of the whole number of families—there are but three possible things: (1) Continue to live in the worst of the slums; (2) Increase the family income so as to permit paying rent in the better houses produced under the types of governmental regulation and participation discussed above; or, (3) Provide government subsidy that will permit houses to be built to be rented within the means of the people to pay.
>
> That means, of course, a radical departure from the usual American way of looking at things. It will be said that it will put the government in competition with its enterprising citizens, notwithstanding the fact that citizens of the utmost enterprise have tried to meet this need and have failed. It will be said that it will cost too much. Again, that cost should be set up as against the cost of going on the way we are going. It will be said that it will destroy our political institutions. Well, some people think they are in danger anyhow, and I know one very able political and economic thinker who says that it might be very good politics indeed for the existing order to see to it that the parts of the city that have the control in votes get the decent housing they want, rather than to leave the job to some other order which these same voters may have it within their power to establish.

A CONTINUING ORGANIZATION PROMISED

Although it seems unfortunate that in the committee reports such fundamental questions as those raised by Dr. Ely and Mr. Brownlow were largely ignored or relegated to appendices, there can be no doubt that great public benefits have come, and will continue to come, from President Hoover's method of using the prestige of his office and of that of the federal government to stimulate nation-wide thought and local action on matters of civic and humanitarian concern. The value of this method had been previously demonstrated by the three National Conferences on Street and Highway Safety and by the White House Conference on Child Health and Protection. The Housing Conference was similarly organized; problems largely beyond the scope of federal governmental jurisdiction were studied by unpaid committees willing to serve at the request of the President; and funds were provided privately to cover the costs of printing and of some of the research work.

As was the case, also, with the other national gatherings, there is reason to believe that the post-conference activities will be of wide scope and will meet a real need. Indeed, the lack of well-financed bodies for research and information in the housing field is much more marked than it is or was in the safety and child welfare fields. Several of the committee reports at the December meeting stressed the importance of further light on their problems. The concluding session, conducted by the Committee on Research, and lasting nearly four hours, included some eighteen "five-minute" presentations (some of them much longer) of research needs in the many branches of activity covered by the conference.

The importance not merely of research, but of more efficient organization, for getting things done, was emphasized by various committees.

Detailed recommendations for future organization and research are to be found in the report of the Correlating Committee on Organization Programs. In brief, this committee expressed its belief that "naturally and locally, the subject matter of the President's Conference on Home Building and Home Ownership in its broadest sense, as reflected in the fields of the active committees, would be given direction, coherence, and impetus if there were to be financed and set up a National Institute covering the field of the activities included in the President's Conference. This Institute would make the maximum use of existing organizations and agencies, would not maintain memberships, and would probably not be militant in the way in which membership associations serve the public interest."

> Without suggesting absolute adherence to the functions proposed, the committee recommends that such an Institute should have departments which would, roughly, include the following functions:
>
> 1. To stimulate, guide and supplement research.
> 2. To stimulate promotion and education, making the maximum use of existing agencies.
> 3. To serve as a clearing house for dissemination of information to prevent duplication of effort and assist in coördinating the work of various existing agencies.
> 4. To continue and expand the demonstration work for home improvement now being carried on.
> 5. To set up an exhibit service.
> 6. To provide for national and regional conferences at intervals.
> 7. To stimulate activity of existing groups and local programs, including the establishment of responsible local groups to promote local interest in home and community planning.

That something worth while is likely to come of these recommendations is indicated by the statement made on behalf of President Hoover, at the last general session of the December conference, by Secretary of the Interior Ray Lyman Wilbur:

> The President has asked me to give you a personal message. . . .
>
> He asked me, particularly, to tell you that you were enlisted in the "war" against bad housing and for good housing, and to tell you that he hopes to see you again in about a year in a second conference. This housing "war" is not to stop until every American home is clean, convenient, wholesome, sanitary, and a fit place for a mother and father to bring to maturity young citizens who will keep our Nation strong, vigorous, and worthy.

May the President's dream be realized, and may many readers of the NATIONAL MUNICIPAL REVIEW help hasten the promised day!

Milwaukee Financially Sound and Content

WHY is it that—when other cities are facing bankruptcy—Milwaukee has a sizable bank balance and a favorable credit rating, asks Mayor Hoan

BY DANIEL W. HOAN *Mayor of Milwaukee*

THE answer to the question asked in the doormat above must be sought in Milwaukee's financial program. It was not put into effect overnight, or by the stroke of some magic wand. It has been made possible by a gradual process extending over a period of twenty years. What Milwaukee has done in putting its financial housekeeping in order can be done by every other large city—if it has the will to do so.

LOSS OF INTEREST MONEY

One must first understand the bad practices which prevail in order to appreciate the significance of remedies. One of the principal curses is the habit of borrowing. While the issuance of bonds for major projects of long life cannot at present be wholly eliminated, it is cowardice for public officials to indulge in, and wrong for the people to demand, that a municipal government continue to borrow, borrow, borrow, thereby multiplying its interest expense, when honesty and prudence should require the levying of sufficient taxes to meet a given expense.

Let us illustrate this by picturing as an analogy a private business poorly managed. Let us suppose we are operating a hotel and discovered that in October the receipts for the year were much less than the actual disbursements during the period. Let us say that we rushed to the bank and borrowed the amount needed to make up the loss and pay an interest rate of 6 per cent on the loan. This interest payment would not only be a dead loss to the business but would aggravate the problem by increasing the annual deficiency.

Let us discuss another bad practice. Suppose the best two months' business occurred during the months of January and February. During this time a considerable surplus of cash was accumulated. Assume that we deposit this surplus money in the bank to draw but 2 per cent when we could buy short-term United States bonds or safe municipal securities and earn 4 per cent interest. It is plain that the management of the hotel would lose in its annual receipts the difference between the 2 per cent and the 4 per cent rates of interest.

It must be easy to understand that in the first example the business will be piling up trouble by increasing its interest expense at the bank and losing an opportunity of increasing its revenue. In the last example we will lose interest money which should be earned. Every banker or stockholder in a bank knows that this practice is indulged in universally by cities; that it is detrimental to the best interests of the community although profitable to the bank. Still he makes no move to rectify the practice. The trouble is that his local patriotism is at war with his pocketbook.

BORROWING FOR RECURRING EXPENSES

We will pass on to another problem. Imagine that the floors in the hotel were worn and needed replacement about every six or seven years much as street pavement needs to be relaid. Since the hotel's receipts are not adequate to pay for this replacement, the manager slaps on a mortgage to pay for the alteration and adds a second, third and fourth mortgage every seven-year period when the floors or other similar replacements must be made. Surely the normal mind can grasp the fact that the added interest charges accumulated by such mortgaging or bonding the premises as the case may be, will rapidly increase the loss to the business and even drive it along the road toward final bankruptcy.

Such is the case with municipalities issuing bonds for recurring expenses such as the dredging of rivers, the laying of pavements and similar ones that should be paid for out of cash tax receipts each year instead of out of bond issues which drive the city into debt and increase its interest charges.

Let us say that the hotel needs painting or the rehabilitation of some department and a contract is let for the purpose. Imagine the manager issuing notes to the contractor in payment for his work. Again would the interest burden increase. It is quite a universal practice for municipalities to issue such paper, which is usually called certificates of indebtedness bearing 6 per cent or more interest, in payment for work. Again the financial headache of the municipality increases. Such poor financing not only adds to our interest burden but induces the contractor to charge more or bid higher for the work required. Further illustrations are needless to prove that such a private business must ultimately pass into bankruptcy and complete collapse.

In the city of New York, for example, out of every tax dollar received, 42 cents must be paid to meet the debt obligation which comes due each year and to defray the growing interest expense. In the city of Milwaukee, because of a different policy, only 18 cents out of each dollar collected in taxes are used to retire bonds and meet interest charges. This is a saving of 24 cents or virtually one-fourth of every dollar collected in taxes that can be used for other desirable purposes rather than to be disbursed on the dead horse of public debt.

In Milwaukee, prior to 1910, the government indulged in all the practices above indicated. The tax rate indeed for a time was kept low but the agony of municipal management increased until finally every fund in the city was depleted. The fire and police pension funds were bankrupt to the tune of $2,000,000; there were insufficient funds in the budget to operate the city; there was a shortage of nine schoolhouses; bridges and streets were in disrepair; no playgrounds for the children. In brief much the same condition prevailed as now faces every other large city.

Each year at least a few taxpayers were unable to pay their personal property taxes. These unpaid taxes became an accumulated deficit in the city treasury.

Only the taxes to operate the public schools were collected in advance of spending. Taxes collected in December and January for the schools were paid in to meet the operating expenses during the coming year. But for all other departments the money had to be provided in a large part by borrowing from banks to maintain the city government throughout the year, the tax for this expense being collected the year following.

NOTABLE ECONOMIES EFFECTED

The first step taken to put Milwaukee on a sound financial basis was to check the borrowing habit. The first Socialist administration in 1910 discontinued issuing bonds for the city's share of street improvements and secured the passage of a law forbidding this practice.

The second step was to stop issuing bonds for the annual dredging of the rivers and similar recurring expenses. In place of bonds, in both instances, the city levied a cash tax to meet these bills and thus began the task of checking the mounting debt burden.

So that this added tax would not be too great a hardship it became necessary to effect certain economies. Among these was the establishment of a scientific budget system. Under this plan the city officials must estimate for the oncoming year the amounts of moneys needed to operate their departments. The board of estimates compares the thousands of items with the amounts spent the previous year. It reduces these estimates and finally adopts the budget. Thereupon a tax rate is fixed to collect the moneys needed to operate the city for a year. Under this plan not only was every endeavor made to check city expenditures where possible without eliminating desirable services but it henceforth became impossible to operate the city with a deficit. The money was collected as provided in the budget and no department could expend more than the budget appropriation. As a result instead of a deficit each year as had been the case, we have since wound up every year with a surplus.

To effect further savings we created a centralized purchasing agency. By systematizing the buying and by purchasing in major quantities through one bureau, a saving estimated conservatively at 10 per cent on materials and supplies was effected. These savings enabled us to stop other practices leading to deficits. A huge hole in the city's cash had been created by the annual losses due to those who through bankruptcy, moving, etc., had and were failing to pay their personal property taxes. To meet this and to make up for accumulated losses from this source, we provided for an additional small annual tax.

CASH RESERVE ELIMINATES TAX ANTICIPATION LOANS

As time went on it became apparent that it would be advisable to put the various departments on the same cash basis as the school board. Consequently an additional measure was enacted to provide for an annual tax that would accumulate funds for this purpose. Thereafter, one by one, we could add departments for which the cash was collected on January 1 that was to be spent in operating these departments in the ensuing year. Year by year we have been placing one department after another on such a cash basis until today over three-fourths of our city work is on this basis and within the next three years all our departments will be so financed. In other words, over a period of years we have not only been able to wipe out the financial deficits of the past but to accumulate funds annually to place us further and further on a cash basis. This was made possible by the savings already mentioned and by others to be discussed.

One result of this annual increase in

the cash available to operate the city was the ability to pay cash for purchase of materials, thereby taking advantage of the cash discount which comes from prompt payment. Approximately $40,000 each year is now realized from this source, more than enough to finance the purchasing department.

With the increasing cash in the treasury we were gradually able to pay our contractors in cash thereby eliminating the old system of issuing certificates of indebtedness drawing interest. For the past several years all our contract work has been paid for when completed and the interest burden arising from the issuance of debt certificates has been entirely eliminated.

Not only this, we now have sufficient cash in the treasury to finance, for one year, work for which bonds are set up in the budget to an amount of $6,000,000 annually. In other words, the sale of $6,000,000 of interest bearing city bonds is delayed at least twelve months each year, thus cutting off one year's interest on such bonds and saving us an annual amount of at least $270,000.

THE AMORTIZATION FUND

A final problem which faced us was what to do with the bonded debt. All cities are staggering under this load. To solve this problem a plan was worked out that is unique among the cities of the world. The "amortization fund" was devised, which will within the next 30 years be sufficiently large to pay off all our public debt. When that time arrives fully $8.00 a thousand in the reduction of the tax rate will be achieved.

From where did the money come for the establishment of this fund? The answer is as follows: In all cities, including Milwaukee, it is the habit to deposit the city's moneys received at taxpaying time in the banks. For these moneys the city would receive 2 per cent interest, or less, annually from the banks. A Socialist alderman introduced a proposal that the city be authorized and the treasurer directed to invest part of these funds in either United States or good municipal bonds drawing from 3 to 5 per cent interest. Under this plan the city's interest moneys enormously increased. The difference between 2 and 4 per cent interest on millions of dollars of money even for short periods amounts to considerable sums. After these interest moneys began to accumulate a law was passed providing that one-half of all the city's interest moneys must be set aside and preserved in what is called an amortization fund, these moneys to be invested in first class municipal or federal bonds. Thus the fund is increased annually and is drawing compound interest. The fund has already exceeded the $3,000,000 mark and is growing each year at a remarkable pace. I have heard of no city in the world that has taken this or a similar step to wipe out the curse of its bonded indebtedness.

One might expect from reading the financial program above outlined that surely Milwaukee must stagger under a heavy tax rate.

This is not the case. The fact is that Milwaukee's tax rate has never been above the average of all American cities or even above the average of the larger cities. In other words, one-half of American cities, either large or small, have a larger tax rate while one-half have a lower tax rate.

At present our tax rate is beginning to drop below the average. I believe in Milwaukee the limit has been reached. Our tax rate for all city purposes including school tax is $26 per thousand of assessed valuation. Our assessments are made on the basis of appraising property at approximately 74 per cent of its market value.[1]

ESTIMATE OF MONEY SAVED TAXPAYERS

The reader may be interested to know in actual figures just what economies are effected by the cash basis policy—just what this cash savings amounts to as a result of getting away from the borrowing habit. Some six or seven years ago I had occasion, in preparing an address for the Comptrollers' National Convention, to estimate these savings. I will give you the figures as of that time amounting to more than a million dollars annually:

Interest formerly paid on bank loans in anticipation of taxes	$35,000
Interest formerly paid out on contractors' certificates	100,000
Interest saved on $6,000,000 of bonds, issuance of which is now regularly postponed one year	270,000
Annual interest saved on cash financing of permanent improvements instead of by bond issues	238,500
Interest received from taxpayers through new policy of permitting extension of time for payment of taxes	52,000
Saving effected by centralized purchasing	900,000
Increased interest received through the policy of purchasing government and municipal papers instead of depositing cash balances in banks at 2%	100,000
Total savings	$1,695,500

I venture the opinion that were I to compute these items down to date they would approximate a $3,000,000 saving annually. In other words, had we pursued the old borrowing policy instead of the new, we would now be confronted either with the problem of paying approximately $3.00 more per thousand of assessed property valuation in taxes or we would have to curtail our necessary municipal services to that extent.

PUBLIC IMPROVEMENTS HAVE GONE FORWARD

We in Milwaukee have been able to lift ourselves out of municipal bankruptcy; to put department after department on a cash basis; to improve our credit and thereby cut contract prices for public work and the cost of our municipal purchases; and finally to promote on a larger cash basis a municipal program of public improvements unsurpassed by any other city.

The reader may doubt the last conclusion, but let me point out that during this period of 21 years, Milwaukee has brought its alley and street improvements from a deplorable condition to among the best paved cities in America; we have expanded the city's area from approximately 22 to 44 square miles; we have provided essential public improvements in all the new areas; we have added millions of dollars of capital investment to our water department both in new mains and in the construction of a $4,000,000 pumping station; we have built the most modern sewage disposal plant in the world to convert sewage into fertilizer; we have acquired virtually all the riparian rights along our eight miles of water front; we are building the finest municipal harbor on the Great Lakes and already have invested nearly $3,000,000 in the project; we have built the finest safety building in this country and motorized our fire department; and have brought all the city's services up to first place among American cities. The deficits in the firemen's and police pension funds have been removed.

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[1] C. E. Rightor's Comparative Tax Tables for 1931 published in the REVIEW for last December revealed that Milwaukee's rate for city purposes (adjusted to 100% basis of assessment) was lower than for any city of her population class except Cleveland.

To reduce this program of capital construction to actual figures, let me quote the Citizens' Bureau of Municipal Research, which in July, 1930, published a statement as follows: "The City of Milwaukee has financed more than one-half of its $105,000,000 of permanent improvements on a cash basis during the last 10 years," which means that projects for which formerly bonds were issued, have been paid for out of cash to the amount of more than $53,000,000 in a capital expenditure of $105,000,000.

When one stops to think that in addition to all this we are annually providing funds to put us still further on a cash basis and to build up a fund entirely to wipe out our bonded indebtedness of $45,000,000, which by the way is low for a city of 580,000 people, we are granted a financial record equaled by no other city in the world. While other cities, moreover, have little or no money to finance their recurring expenses, Milwaukee from day to day, even during the month of December (when this is being written and which is before taxpaying time) announces a cash daily balance in the city treasury of $3,000,000 not including the money in the Amortization Fund.

If it is conceded that our policy has been sound, do the people of Milwaukee like or dislike it? In a former election the two candidates opposing me both promised a lower tax. In fact, one of these candidates had served the city as mayor prior to 1910 and had levied lower taxes. The people of the city, however, were wary of their claims. In the primary one low-tax candidate was eliminated and in the final election the other was 17,000 votes behind. The fact is, that the people of any community, I believe, will back up a sound financial policy if given the facts. They like it in Milwaukee and they will like it elsewhere. It is only necessary to organize a political party of the producers and to call in the civic clubs and other groups interested and give them the facts: show them that the old practices mean ruin; that the additional burden each year in public interest will overwhelm them; that gradually the city must be placed on a sound financial and cash basis. Once understanding this purpose, and with the confidence that the city is practicing rigid economy, the people will give ample support.

What Municipal Home Rule Means Today

II. Minnesota: A Reappraisal

A VIGOROUS spirit of home rule and municipal self-reliance gives strength to a weak constitutional provision

BY WILLIAM ANDERSON *University of Minnesota*

THE CONSTITUTIONAL provision which authorizes municipal home rule in Minnesota was first adopted in 1896 and has not been changed since 1898. At that time only three other states had such provisions: Missouri, California, and Washington, and the amount of known experience with home rule was small.

THE HOME RULE PROVISION

The Minnesota provision followed in general lines that of Missouri. It provides that

"Any city or village in this state may frame a charter for its own government as a city consistent with and subject to the laws of this state." Such charter shall be drafted by a board of fifteen freeholders, and shall be deemed adopted if approved by "four-sevenths of the qualified voters voting" at the election at which it is submitted. It may be subsequently amended, but each amendment must be approved by three-fifths of the voters voting at the election, and the charter must "always be in harmony with and subject to the laws of the state of Minnesota."

The Minnesota provision is unusual in several particulars. First we should note the high majorities required for the adoption of charters and amendments. Second, the board of freeholders (charter commission) is appointed by the district judges, not elected by the voters. Third, while the term of a board of freeholders is four years, the law provides that the board shall be permanent. New appointments or reappointments are made every four years, at least for the larger cities, so that there is in existence at all times a sort of continuous, but usually dormant, local constitutional convention.

It should be noticed also that the constitutional home rule provision does not outline and guarantee the powers of a home rule city. On the contrary it puts certain limits on home rule powers and stipulates that before any home rule charter is adopted "the legislature shall prescribe by law the general limits within which such charter shall be framed." Thus it was left to the legislature, by general law known as "the enabling act," to define municipal home rule powers. For this reason home rule in Minnesota has been criticized as mere "legislative" as distinct from constitutional home rule.

EDITOR'S NOTE.—For earlier discussions of home rule in Minnesota, see McBain, *The Law and the Practice of Municipal Home Rule*, 1916, chap. XIII, pp. 457–497; Anderson, "Municipal home rule in Minnesota," 7 Minn. Law Rev. 306–331 (1923); Anderson, City Charter Making in Minnesota, 1922, *passim*.

Another clause of the constitution which supports this general view is this: "The legislature may provide general laws relating to affairs of cities, the application of which may be limited to . . . [certain defined population classes of cities] . . ., which [laws] shall apply equally to all such cities of either class, and which shall be paramount while in force to the provisions relating to the same matter included in the local charter herein provided for." This leaves no doubt that, if the legislature enacts general laws of uniform application, such enactments will supersede the home rule charter of any or all cities affected. Legislative supremacy is assured.

For purposes of legislation, the constitution divides cities into four population classes: those of over 50,000; those of 20,000 to 50,000; those of 10,000 to 20,000; and those of under 10,000 inhabitants. In fact since it does not require cities to adopt home rule charters, it creates two divisions in each class—those cities having, and those not having home rule charters. Thus eight classes of cities are recognized by the constitution, although it happens that there are no cities without home rule charters in certain population classes. All first and third class cities now have home rule charters. In the second class, however, Winona has not a home rule charter, while St. Cloud and Rochester have. Thus for the present decade at least, Winona, which seems to have a peculiar fondness for legislative control, may obtain all the changes it wants in its charter through legislative acts applying to "all" cities of the second class not operating under home rule charters. To a stranger in these parts this may appear to be thinly disguised special legislation, but it is "general" legislation according to Minnesota jurisprudence.

POWERS CONFERRED BY HOME RULE AMENDMENT

Although home rule is optional for cities in Minnesota, 70 of 94 cities have accepted the home rule status. In population these cities represent 92.75 per cent of the "urban" population of the state, and 93.64 per cent of the population of all "cities," including both those over and those under 2,500 in population. Of the 24 cities without home rule, 23 are small, ranging from 672 to 7308 in population. Considering the obstacles which stand in the way of the adoption of home rule charters in Minnesota, these high ratios reveal a rather widespread acceptance of the home rule idea. They show also that large places have the most desire and capacity to adopt home rule.

LEGISLATIVE AND JUDICIAL LIBERALITY

The extent of the power reserved to the legislature to interfere in municipal affairs, and the uses of that power, constitute obviously an important factor in determining how much home rule the cities enjoy. On paper, and considering only the constitutional provision, it would seem that the home rule power in Minnesota is a frail reed on which to lean. Any passing gust of legislative anger might easily break it off. As one commentator said, (reversing the state supreme court!) the grant of power to the city is a "mere form of words," offering no substantial support in a conflict with the state. This, with some qualifications, is probably a just comment.

What has happened in fact during the past 33 years? First, the legislature began in 1899 by passing an "enabling act," to make effective the constitutional provision, which went very far toward giving cities a liberal grant of home rule powers. This act provided, and still provides, that a home rule charter "may provide for any scheme of municipal government not inconsistent with the constitution, and may provide for the establishment and administration of all departments of a city government, and for the regulation of all local municipal functions as fully as the legislature might have done before the adoption" of the constitutional amendment which forbids special legislation for cities. Such charter may also "omit provisions in reference to any department contained in special or general laws then operative in said city or village, and provide that such special or general laws, or such parts thereof as are specified, shall continue and be in force therein, . . . It may prescribe methods of procedure in respect to the operation of the government thereby created, and the duties thereunder of all courts and officers of the district and county in which the city is situated, which duties such courts and officers shall perform."

Second, conforming to this very liberal enactment of the legislature, the supreme court also adopted a very reasonable and temperate attitude toward the powers thus conferred. Construing both the constitution and the enabling act according to their obvious intent, it held that a home rule charter is itself a local law, and that it is entitled to the same respect as was previously accorded to local acts of the legislature. Hence a city which does not go contrary to what the court deems to be a settled state policy, may in its home rule charter make provisions as to municipal affairs which differ even in important details from state laws upon the same subject. It may choose from among existing state laws, general and special, those which it wishes to put into its charter and omit those which it dislikes. It may regulate important local affairs, such as finance and taxation, police, public works, and others, not excepting even school affairs in certain cases.

On the side of means to be employed in accomplishing their purposes, home rule cities have in fact a very considerable freedom. They may adopt their own special taxes, such as business and license taxes, and systems of special assessment. They are free to employ the power of eminent domain, according to their own procedures, for acquiring land within or without the city limits. They may exercise police power in all important local matters.

In the matter of ends to be achieved, home rule cities acting solely under their own charter powers have established public fuel yards (Waseca), regulated local utilities as to rates and service (St. Paul and other cities), reorganized the school administration (St. Paul), limited the city's tort liability (Waseca), made vaccination regulations (St. Paul), voted out saloons before the days of prohibition (Duluth), regulated the election of municipal judges (Duluth), denied the right of appeal from the municipal court (Red Wing), and done a number of other things which the state supreme court has expressly sustained. Many other things have also been done by them under charter provisions without statutory authorization, such as establishing zoning regulations, but upon these there have been no final court decisions. The simple rule followed is that the home rule charter in all local or municipal affairs is equivalent to a local statute passed by the legislature. Hence if the legislature itself could have authorized the action in question, and it violates no constitutional provision or settled policy of the state, then the home rule charter provision is valid.

LEGISLATIVE INTERFERENCE AND LOCAL RESISTANCE

The legislature reserves the power to overrule such charter provisions by appropriate general acts. These must show a clear intent to overrule charter provisions since repeals by implication are not favored in such cases; but when this intent is evident, the paramountcy of the legislative act is unquestioned. By such acts the legislature has put per capita limitations upon local tax levies, mainly in the interest of the mining industry on the "Iron Range." It has transferred to the state railroad commission the regulation of telephone rates and service, and of street railway rates, and the control of grade crossing eliminations. It has made uniform regulations respecting municipal bonds and debt limits, wheelage taxes, the filing of claims against cities, and a number of other matters. In a sense these acts are all limitations on the powers of home rule, but only a small number of them have aroused serious opposition in the cities.

A word should also be said about bills which did not pass. Of these the most important have related to the creation of a state public utilities commission to regulate gas and electric companies, the introduction of a state police system, and the establishment of a modified "Indiana plan" of local tax and debt control. If one looks into the history of these and other defeated measures he will find that the spirit of home rule and self-reliance is very strong in Minnesota cities and villages. This alert and watchful spirit is embodied in part in the active League of Minnesota Municipalities, but it manifested itself vigorously even before the league was created. To the writer this appears to be the most important factor in the upholding of home rule rights in Minnesota. Eternal vigilance is the main part of the price to be paid for home rule. In the short run it has done more for Minnesota cities than a much stronger home rule provision could have done without it, as we see from the experience of other states. If in the long run it proves inadequate, if vigilance is replaced by indifference —well, may not that be the test of whether home rule is worth preserving?

SPECIAL LEGISLATION STILL A FACTOR

But though the municipal home rule provisions are generally satisfactory to Minnesota cities, there are several spiders in the ice cream. In the first place, a certain amount of special legislation is produced at every legislative session, despite the constitutional prohibition. It is often cleverly concealed under a classifying formula which seems to have some breadth, but just as often its truly special character cannot be denied. Some of this legislation is harmless, but in other cases it is like the little foxes which destroy the vines.

Why should there be special legislation for cities in a state where every city and village may draft, adopt, and amend its own charter? From the side of the legislature it must be recognized that it is composed not merely of a certain number of members, but of a group of county and city delegations, each representing its own constituency. When powerful interests in any constituency, often backed by the local city council, put pressure upon the local delegation to procure the passage of a local law, it is asking the representatives to be more than representatives and more than human, always to refuse to do so. Provided a bill can be drawn so as not to affect more than one city, other members of the legislature are not likely to oppose it.

While seeking other objectives, legislators are likely to overlook the advantages of home rule. Thus in 1921 a slightly unusual situation in one locality, which consisted of one village and part of another one, led to the drafting and passage through the legislature of a lengthy bill authorizing the incorporation of such a community as a city, and embodying the entire city charter in great detail. The situation could have been handled by the village adopting a home rule charter, and by a simple change in the annexation laws which would have permitted the annexation of the small outside area. This easy solution either was not considered or was not approved. The entire law was passed and printed in the session laws of 1921, and has had to be reprinted in each compilation of "general" state laws since that time. An outsider might read the statutes of Minnesota and come to the conclusion that this lengthy statute is a very important act. In truth it has come to concern only two small communities in the whole state and was a wholly unnecessary act from the beginning.

Some part of the difficulty here under discussion undoubtedly arises from the communities themselves. Many lawyers who advise local governments have never come to understand or accept the home rule principle. When local changes are desired, they think first and only of the legislature. Frequently, also, local interests fear the results of submitting their proposals to a vote of the electors in the form of charters or charter amendments. Recourse to the legislature seems the easier and less conspicuous way of getting the result. In one large city, members of the city council who have been loudest in their denunciation of the legislature in taking from the city its control over street railway fares and grade crossings, have themselves sponsored bills to be passed by the legislature to change the date of the city elections and to increase their own salaries—both matters which could be accomplished by charter amendment. In the city of Winona, which stood for some time as the only city of the second class, it was earnestly argued that it was simpler and easier to get legislative acts to amend the old special charter than to adopt and amend the charter by the home rule procedure. Winona is still without home rule.

DIFFICULTIES OF CHARTER AMENDMENT

It is only fair to say, however, that one of the reasons for seeking legislative help instead of resorting to the home rule charter amendment process is, in many cases, the difficulty in getting such amendments adopted. This may be set down as the second major defect in home rule in Minnesota. In small cities the difficulty is not so much that of getting out the necessary vote, as it is that of the expense of publishing amendments for thirty days in three newspapers of general circulation in the community. This frequently requires resort to publication in one or two daily papers published in larger cities in the vicinity. Attempts have been made to reduce this publication requirement but in vain.

For the larger cities the difficulties are both the expense of the election, and the high majorities required. An amendment is not adopted unless approved by a three-fifths majority of all voters voting at the election. If a special election is called, the election expense is high. If the amendment is submitted at a regular primary or general election, the expense is less, but more votes are required to pass it, since non-voters on the amendment in effect vote against it. As a result of these twin difficulties, very few charter amendments are passed in Minneapolis, but St. Paul reports a somewhat higher percentage of adoptions.

One of the oddities of local practice in Minneapolis may here be mentioned. The statute provides that a special election may be called "at any time." Resting its case upon this slight phrase, the city council, following legal advice, assumes the right to call a "special" election at the time of a "general" election, the polling places, ballot boxes, and judges to be the same. The judges of election then count the votes cast on the charter amendment as if they represented all the voters voting at the election. This appears to be in direct violation of the constitution, and has a very interesting result. When the city council likes an amendment and wishes to see it passed it calls a "special" election under these conditions, and when it dislikes the proposed amendment it fails to designate the election as special. Thus its fiat in calling an election special or not designating it as special is worth many thousand votes one way or the other. This gives the council a power almost of life or death over many amendments, a result obviously never intended by the framers either of the constitutional provision or of the statute.

CHARTER DRAFTING: GOOD AND BAD

The Minneapolis situation is unusual in another respect. When the question of adopting a home rule charter came up again in 1920, after repeated failures of the city in earlier years to adopt home rule, the charter commission chose to raise only one issue: Shall the city have a home rule charter? It decided not to change either the form or the powers of the government, but rather to go before the voters saying: "Here is your present charter, as copied without change from the laws of Minnesota. Will you adopt it as a home rule charter, or do you prefer to have the city remain directly under state legislative control?"

Anyone familiar with legislative charter drafting can imagine the type of document Minneapolis thus "adopted" as a home rule charter. It is long, involved, and at points even vague or contradictory, and it provides for an unusually complicated government. At the end, when the hand of the copyist grew weary, a whole series of legislative acts, such as for example the housing act for first class cities, was included by mere reference. Today even an amendment to the local housing code requires a charter amendment. The freeholders were advised at the time that charter amendments are expensive and hard to obtain in large cities, and that they were really doing the city no service in submitting this archaic hodge-podge to the voters as a home rule charter. At least there should have been redrafting and simplification—but even this did not result. Consequently, except for a few minor changes, the Minneapolis charter is still what it was in 1920, and probably will be for many years. This is a good example of how not to draft a charter.

In general it can be said that charter drafting is somewhat better than it used to be. The League of Minnesota Municipalities has an attorney who gives some attention to charter drafting work, and a little manual on charter making published by the state university has been rather extensively used by charter commissions. Even so the results are often unsatisfying. The writer has seen one complete charter draft ready to go before the voters of a small city into which the local attorney had been able to get at least five obviously unconstitutional provisions, not to mention other items of poor draftsmanship; and also certain amendments about to be submitted in one of the largest cities which were based upon a method of election long held to be invalid in this state. The local product is also frequently unprogressive and sometimes recidivistic in matters of municipal organization and procedure. Such relapses are, of course, a part of the price to be paid for municipal home rule.

There are numerous minor complications and difficulties in the Minnesota home rule situation which it would not be profitable to discuss here. There are important omissions, also, such as the failure to provide for county home rule, or city-county consolidation, or to authorize proportional representation in city councils. It is interesting to note, however, that among the leaders in municipal affairs in Minnesota there is no great dissatisfaction with present home rule arrangements. Some years ago the author of this little article drafted a proposed constitutional amendment for strengthening the position of home rule charters,[1] but even the committee on home rule of the League of Minnesota Municipalities did not deem the matter to be urgent, and no action has been taken toward revising the home rule provision. This inactivity on the part of the friends of home rule may indicate either that they are unaware of the need for a change, or that they are substantially satisfied with existing arrangements. The writer believes that both of these explanations are true in part, but that the latter is the more weighty reason for their inaction. As long as the cities are well organized for presenting their case to the legislature and have considerable influence with that body, they have little reason to fear. It remains to be seen whether the present distress of the taxpayers will not produce in the legislature a reaction against local fiscal policies which will result in a drastic reduction of the financial freedom of home rule cities.

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[1] "Municipal Home Rule in Minnesota: A Proposed Amendment to the State Constitution." League of Minnesota Municipalities, Pub. No. 2, (1924).

Has the Indiana Plan Been a Success?

THE following article was written by one who has had exceptional opportunities to inspect the actual workings of the Indiana plan of state control over local bonds and budgets

BY OBSERVER

FOR ten years there has been a good deal of ballyhoo for the so-called "Indiana plan" of tax control. But for eight or more of those years it awakened no serious response. Along came a real depression, and with it a stage setting that made the picture more alluring and tempting than the ballyhoo artists had thought possible.

It has fallen to the lot of some others, outside Indiana, to examine into the claims made for the Indiana plan and to study the theory of it, and to set forth some inherent weaknesses of the claims and the theories. This is an article from one who as an "insider," has a point of view that has not yet been expressed before the government administrators and researchers who have had a passing interest in the Indiana plan. Without being overly technical and specific it will set forth the reasons why one who has examined public budgets in Indiana and fought with and against public officials of communities in that state for budget economies and tax reductions believes that the Indiana plan is not the panacea that so many casual tax-irritated groups believe it to be.

The past two years have brought forth a good many volumes of research and opinion on the problem of state and local taxation. A great many have advocated, with more or less reservation, adoption of the Indiana plan as a means of reducing local taxes.

The application of such a plan will not solve the tax problems of other states. It has not done so for Indiana. Eight or nine years after adoption of the Indiana plan, even Indiana, too, had its state commission on tax reform. In other words, Indiana had just as much need for tax reform, just as much complaint against taxes, how they are raised and how they are spent, as any of the other states not blest with its method of state control.

MORE ACCOMPLISHED ELSEWHERE

Knowing a little of human nature, I should say that the type of men who have administered state control in Indiana would not likely be improved upon in any other state, at least as to honesty and integrity. Yet, in literally scores of opportunities to make substantial reductions in public expenditures this board has been no more courageous, accomplished no more of reduction, than has been put into effect by many municipal budget-making officials, themselves, in other parts of the country. In fact, nowhere in Indiana, even in the budget-making season of 1931, when there was a greater urge for economy in government than in years past, has there been anything like the reductions that were actually accomplished for the city of Detroit under the leadership of local officials and business and research groups, during the same year. Detroit has put into effect a more heroic restriction of public spending than was ordered by the state board of tax commissioners of Indiana for any community in the nearly three hundred appeals conducted in the fall of 1931 affecting 1932 budgets and tax rates. In the budget appeals of 1931, for instance, so far as the public was informed, in not one single case was a general salary reduction ordered. On the contrary, when this issue was raised by appellants, it was in each case neatly sidestepped by the state board. More governmental economy was accomplished for the taxpayers of Detroit by the intelligent participation of their business and research groups with the public officials in budget making than was accomplished for any Indiana community through use of the Indiana plan machinery, *i.e.*, appeal of ten taxpayers to the state tax board and review of budgets and tax levies by that body. In fact, the comparison so highly favors Detroit as to make us in Indiana seem quite inept in our struggles over the tax problem.

THIS YEAR'S REDUCTION SLIGHT AND UNCERTAIN

Mind you, this was the case in the year 1931 A.D., and of the current depression, Year 2. In that year, because we so plainly had not yet accomplished tax reduction in spite of the Indiana plan, the legislature enacted a new law affecting budgets, prohibiting any local unit of government from adopting a budget for 1932 or 1933, in excess of the budget adopted in 1930 for the year 1931. Even with that much of legislative support for tax reduction, the results of the year's efforts in Indiana are quite inconsiderable, in contrast with the whole tax levy. True, four or five millions less than in the preceding year have been levied for 1932 collections for state and local government, but the total property tax levy for 1931 was well over $165,000,000. The reduction for the whole state amounts only to about 3 per cent of the total levy.

The reduction, by the way, is in taxes collected, not in public money to be spent. No one in Indiana yet knows how the aggregate amount of all local budgets for 1932 will compare with the appropriations for 1931, but the impression of some that it will be greater for 1932 than for 1931 is probably correct. In other words, no inconsiderable amount of that tax reduction was accomplished through using treasury balances, which hitherto has made possible operation of the great majority of Indiana local units of government without temporary loans.

Perhaps, however, the actual tax levy reduction is an accomplishment not to be decried in view of the increased expenditures for poor relief that are being reflected for the first time so extensively in 1932 collections. Yet, Indiana is by no means the only state in which there has been a demand for tax reduction. That was the most popular public movement of the year. Other states undoubtedly will have as much to show for the prevailing sentiment as does Indiana. And, as pointed out above, one large city, Detroit, has a far greater accomplishment to which it can point with pride.

APPEAL TO STATE BOARD LESS EFFECTIVE

I shall perhaps make my point more plain with a few actual illustrations of the working out of the Indiana plan.

I have only one point to make, which is that the Indiana plan is no more effective, and often is less effective, than citizen participation in budget making without the privilege of appeal to a state body and right of that body to some measure of control. Others have pointed to other arguments against the Indiana plan. Wylie Kilpatrick in *New Jersey Municipalities*, for instance, has under way a discussion of this subject that presents these phases most clearly, and with most of his argument I can thoroughly agree.

Mr. Kilpatrick has set forth some of the reasons for the truth of my assertion. I would list as the more important reasons: (1) The plan almost always hinders the much-to-be desired citizen-participation in budget making by causing the local budget-making officials to feel a sense of futility in discussing their budget programs with anyone (and that includes also the state tax board). (2) It leads often to budget padding on the part of the local official, so that he shall still get what he wants after there has been state review. (3) It deprives the local official of, or gives him the opportunity to evade, responsibility for his budget, in that he can "pass the buck" to the state board; and last, and perhaps most important, the state board cannot give careful consideration in the time allotted even to a small part of the budgets appealed. This leads to unintelligent action many times.

BAD PRACTICES ENFORCED IN NAME OF ECONOMY

Tax levy reductions are ordered through the expedient of requiring working balances to be used as revenue to finance a portion of a budget, bond maturities must be refunded with new bond issues, sinking funds are robbed of their planned and necessary increments, admittedly needed regularly recurring new construction projects are required to be financed with bond issues, even to the extremity of sending the bonded debt to the very limit allowed by the state constitution, and sometimes illegal orders are issued, which may easily be and are attacked in court by the affected officials and set aside.

This calls to mind a rather famous decision of the Indiana supreme court in the city manager case. A law making possible the city manager form of government was held to be invalid because it put upon the city clerk the duty of examining and passing upon the correctness of the signatures attached to the petition for an election on the subject, which, the court held, in the case of a large city like Indianapolis, was a greater task than the clerk could physically perform. Of course, many thought and still think the clerk had authority to employ deputies to aid him in the task, which he had done. It would seem that a similar decision ought to be forthcoming from the Indiana supreme court affecting the Indiana plan of tax control, for the state tax board cannot physically perform adequately the task of examining even the very small proportion of budgets appealed to it. And the already overworked, underpaid state board recently has been compelled to assume administration of Indiana's chain store tax law.

Of course, one answer to this criticism is that the state board can delegate authority to a sufficient field force to carry out the task satisfactorily. Certainly it should be able to do so, but it does not. If the Indiana plan continues in effect in Indiana for a good many years, as it probably will, public officials and taxpayers ought to unite in seeing to it that the legislature makes possible an adequate appropriation to permit the retention of a field force large enough to do the job thoroughly. Undoubtedly, a great deal of this criticism would be answered by such an action. Yet, there would remain the hindrance to citizen-participation in budget making, the tendency to pad on the part of local officials, the evasion of local responsibility for tax troubles, and a continual growth of resentment against the state body among almost all local officials.

Almost without exception the officials of every municipality of any size and of every county, excluding perhaps those who are quite inexperienced and have little pride in their work, bear resentment toward the state board and toward the taxpayers who take an appeal. This applies to every set of officials since the Indiana plan was enacted into law. The local officials cannot always be wrong. Where there is such a unanimity of feeling, certainly there is ground for the suspicion that the resentment does not spring from the desire to spend money recklessly or for political spoils.

SOME EXAMPLES

But to cite the few specific instances.

On one occasion, a city council fulfilled its campaign promise to police and firemen by increasing their salaries and reducing the tax levy all at the same time, through the simple expedient of cutting fixed charge appropriations considerably below the amount known to be needed, and failing to make any provision in the tax levy therefor. This meant, of course, a sizeable deficit in the following year's operations. An appeal was taken to the state board, and with all the facts adduced, it was urged to balance that budget. Under the law the board could not add to a tax levy or appropriation, but it could reduce the salary increase appropriations, and leave the levy alone, thereby producing sufficient additional revenue to make possible payment of the fixed charges in full. Did it do so? It did not. On the contrary, its action was to make no change in the appropriations whatever, but still further to reduce the tax levy, heightening an already bad situation. And why did it not reduce the appropriations? The presumption is that the issue of forbidding salary increases to this body of police and firemen had something to do with it. A little over a year and a half later that municipality issued a large quantity of bonds to fund the deficit thereby incurred. Did that tax reduction save money for the taxpayers? Manifestly, it did just the opposite.

A northern Indiana budget and tax levy were appealed to the state board by a taxpayers' association which pointed out a glaring deficiency between appropriations and revenue, and urged reduction of appropriations but no change in the tax rate. The state board issued an order partially balancing the budget and rate. When the case was taken into court by the municipality, however, the state board announced that it had decided that it had no right to reduce a budget without correspondingly reducing the tax rate, and therefore it agreed to issue a supplementary order restoring the budget to its out-of-balance state.

The Indiana plan involves control over both tax levies and bond issues. A bond issue for a large new building was appealed to the state board, the appellants believing that a material man had too weighty influence with the officials. The state board felt so, too, and ordered plans redrawn to eliminate what seemed to be a closed specification for his product. The plans were redrawn and bids were taken. The state board said they were too high, particularly for the device sold by this man. The specifications were changed again to provide for cheapening of his device, and second bids were called for. This time, with a cheaper installation, the cost of his device was slightly increased, and for some reason, the state board weakened, gave up the battle, and permitted contracts to be awarded. The net result was a loud guffaw from the specialty man who had profited from the attack intended to clip his wings. Notwithstanding the change in specifications, no other similar device was bid upon.

MATURING BONDS ORDERED REFUNDED

The year 1931 was a year in which taxes were to be reduced in Indiana at any cost. Here is some of the cost of that tax reduction. Marion County, in which Indianapolis is situated, has a fairly good history of bonded indebtedness. Its total debt is only about half the constitutional limit, and most of it is for roads, retired serially in ten years. Yet nearly three-fourths of next year's bond maturities are to be refunded with a new bond issue, the first retirement of which shall not begin for nine years, and which shall not be completely matured for twelve more years. Included in the 1932 maturities which now must be refunded are $8,000 of an issue for the most dilapidated major bridge structure in the community, and $50,000 of refunding bonds—now to be refunded a second time. The original purpose for which the debt was incurred has become hazy in the memory of Marion County taxpayers.

Next year's tax rate was reduced 5 cents on each $100 by this means, but what of the tax rates of future years? The argument made for this subterfuge was that the federal government sometimes refunded its obligations at lower rates of interest and so could Marion County. But the maturing bonds would have been paid off, except for this arrangement, and have borne no more interest, and further, the changing bond market has required 4½ per cent bonds, whereas the average interest rate of those maturing, now to be refunded, was no greater than that rate. And here is an amusing, and possibly tragic development. The refunding bond issue of 4½ per cent failed to bring a bid and must be readvertised. This "tax-saving" idea was accomplished through appeal to the state board and loud were the pæans of praise for the tax cut.

This started a sort of fever for making tax cuts at the expense of bond maturities, so another 5-cent reduction was ordered in the school city rate by instructing the school city to reduce its annual sinking fund deposit that much below the amount required by a state law. The school city, of course, went to court and upset this order, and from the upset the state board has announced, there will be no appeal.

LOWER COURT HOLDS PLAN UNCONSTITUTIONAL

The city of Indianapolis has been using a "work for relief" plan for over a year, described in these columns recently. Those who must have public charity are given opportunity to work for it on created, useful public projects, resulting in benefit to both the unfortunate applicants for relief and to the community as well. The state board this fall ordered a reduction of $60,000 in the budget item of the park department for temporary labor. While it did not so state in the written order, yet in the public hearing, this reduction was advocated on the theory that the park department could get this amount of labor performed by charity labor and hence could "turn off" the laborers who had customarily been employed for this recurring work. A storm of protest was raised by this reduction. The "work for relief" plan had intended that charity labor only be used on created work and not to cause the displacement of men from regular employment. In other words, Indianapolis under this order would have been compelled to turn $60,000 worth of laborers out of employment. There was no argument that this work did not need to be done.

The city of Indianapolis also went into court and upset the reductions ordered by the state board, but in this case went much further than the school city. It alleged unconstitutionality of the Indiana plan, and the trial judge held, with the city, that the law is unconstitutional. This case will undoubtedly be appealed to the supreme court, for a finding of this kind, if it stands, would put a summary end to the Indiana plan. Nevertheless, the decision will come too late to prevent the annulment of the reduction order of the state board.

The Indiana plan has been tested in some particulars in the supreme court. The corporation counsel of Indianapolis believes the supreme court has never, however, passed upon the questions he has raised. He argues against the law on the ground that the legislature cannot delegate legislative power to an inferior board, and cannot deprive a municipality of "home rule" in matters affecting only that municipality. The result, of course, will be awaited with interest, and not alone in Indiana. It is of more than passing interest that the city of Gary has ordered its legal counsel to aid the Indianapolis legal department in testing the constitutionality of the law. A capable legal department in Indianapolis will most certainly give the law a real test. If it is finally held unconstitutional there will of course be much regret. Even some of the critics of the plan will regret that there is no state reviewing body with authority to compel recalcitrant local officials honestly to balance their budgets and tax levies. No state review at all, however, would be better for Indiana than the kind that cannot *thoroughly* examine and pass upon the local fiscal problems brought before it.

Nevertheless, the wreckage of the Indiana plan would not, as many would believe, mean an era of skyrocketing taxes, and a loss of control by the taxpayers. Always they have in their votes ample control over any public problem, if they are willing to exercise such control. Every officeholder in the country today knows that his constituents want taxes reduced, and many of them will put reductions into effect in a most heroic manner. They will do so, without the threat of appeal to a state reviewing body hanging over them. They will do so more wisely and with more permanently good results if they take counsel with the taxpayers and their representatives, the organized business and research leaders. And these unofficial representatives of the taxpayers can accomplish quite as much, or even much more in the way of permanent good for their members, through participating with the officials in their attempts to solve the problems of expenditure and taxation, as if they had the machinery for appealing the budgets and tax levies to a state body for review.

The Los Angeles Bureau of Budget and Efficiency

"THE Bureau is becoming the very heart of the administration"

BY JOHN M. PFIFFNER *University of Southern California*

EARLY in 1913 the New York Bureau of Municipal Research conducted a survey of certain departments of the city of Los Angeles, recommending, among other things, that a bureau of municipal research be established. In September of that year the council passed an ordinance creating an efficiency commission with powers to investigate the administration of the several city departments. The written examination for director was thrown open to candidates from all over the United States, resulting in the appointment of Jesse D. Burks, who had been director of the Philadelphia Bureau of Municipal Research. For more than a decade this staff agency acted in an advisory capacity to the mayor and council by means of investigations, reports, and surveys of departmental operation. With the adoption of the present charter in 1925, however, the efficiency commission was replaced by the bureau of budget and efficiency, with assured financial support independent of council action, and with a considerable share in budget operations.

The charter states that the director of the bureau shall be appointed by the mayor subject to the civil service provisions of the charter. The original appointee was Roy A. Knox, who had served as an investigator under the former efficiency commission and who still continues as active head of the bureau. A permanent staff of technicians, selected under civil service rules, maintains an entirely professional and non-political attitude toward its task. University graduates in engineering and accounting predominate, at least six being candidates for the master's degree in public administration in a local university.

The bureau of budget and efficiency is guaranteed by charter an income equal to one-fourth of a cent on each one hundred dollars of assessed valuation. This safeguard has never been resorted to, the bureau choosing to run the budget gauntlet along with the other departments.

MAYOR'S RELIANCE ON BUREAU

The bureau's work can be roughly classified into two general categories: budgeting, and fact finding not directly related to current budget procedure. In practice the bureau has become the dominant factor in the budget process in spite of the fact that its authority is wholly advisory. The preparation of the budget is the sole responsibility of the mayor, the charter merely stating that the "director of the bureau of budget and efficiency shall assist the mayor and council in the preparation of the annual budget and in the consideration of any appropriations subsequent thereto, as set forth elsewhere in this charter, and throughout the year shall conduct studies and investigations that will assist in the preparation of the budget." The two mayors who have served under the 1925 charter have each turned over to the bureau practically the entire preparation of the budget.

The departmental estimates are sent in not later than March 15 and assigned, on the basis of departments and functions, to the different members of the staff of the bureau of budget and efficiency. There is a conscious effort to preserve the judicial attitude of the investigators by varying the assignments from time to time, so as to counteract an inevitable tendency toward sympathizing with departmental ambitions. It is thought that the budgeteer will lose his effectiveness if he comes too much under departmental influence.

The investigator eventually makes his report at a hearing before a high officer of the bureau, the budget officer of the department concerned being present. Usually a complete understanding of all concerned is reached at this time. Then comes the more formal hearing before the mayor where every item is read in the presence of the chief executive, representatives of the bureau of budget and efficiency and officers of the department to which the estimates relate. Here the latter may voice disagreement with the bureau's allowances, and the mayor has complete authority to revise in favor of the department; but both the mayor and the departments usually abide by the bureau's findings.

The mayor's budget must be in the hands of the council by June 1. There it is usually referred to the finance committee whose sessions are attended by representatives of the bureau of budget and efficiency. As a matter of fact the entire council learns to develop a rather healthy respect for the bureau, a representative of which is always present at council sessions. The council is increasingly using the bureau as a buffer on "pork" matters. Very frequently does one notice a council member arise to ask: "What does the bureau of budget and efficiency think about this?" It is largely through this growing respect for its advice on administrative questions that the bureau is becoming the very heart of administration, even though its powers are purely advisory and even though there is no integrated administrative authority to whom it is directly responsible. Students of public administration might well ask whether an independent staff agency of this kind is not the logical solution to many administrative difficulties in those cities which are unwilling to adopt integrated charters.

THE COUNCIL FOLLOWS THE BUREAU

The council usually passes the mayor's budget with very slight changes. The 1930–1931 budget was based on a revenue estimate derived from the previous year's assessed valuation. Before the council had given complete consideration to this budget it became apparent that the county assessor would make reductions in real estate values which, if taxed at the old rate, would decrease the city's revenue by more than one million dollars. The city council made political capital of the mayor's failure to take cognizance of this in the estimate of revenues and passed a provisional budget with execution under its own control. The director of the bureau of budget and efficiency protested that revenue would be sufficient to defray appropriations under the mayor's budget, and experience later substantially justified this assertion. The net result was that the council spent in excess of the mayor's budget, and in so doing spent more than the year's revenues. The deficit was paid by tapping and reducing a surplus fund exceeding $5,000,000 and created from savings of former years to cover the period when no taxes are coming in. The building up of this reserve fund is a matter of considerable pride to the bureau; its depletion would necessitate the registration of warrants between July and November, and this spectre is the bureau's constant weapon to restrain the council from passing appropriations in excess of revenue.

The Los Angeles city council is elected for a two-year term, all members retiring at once. This frequently results in a new council being composed largely of members serving for the first time. During their first budget year they will be inclined to take budget matters into their own hands; but as they come to see the need for central coördination in matters of expenditure they learn to defer to the bureau. The result was that the mayor's budget for 1931–1932 was passed, practically without change, by a vote of 14 to 1. Less than a month thereafter, however, a majority of new faces entered councilmanic seats.

The bureau of budget and efficiency does not possess charter authority to exercise current budget control. Appropriation accounting is in the hands of an elected controller who pre-audits all purchase orders and pay rolls. Budget control is therefore accomplished under a quite detailed classification of expenditure contained in the appropriation ordinance. Although both a budget and an appropriation resolution are published, there is no distinction between them as to detail, one simply being the mayor's proposals and the other containing the same items as finally approved by the council. Hence the real control is established by the bureau in setting up the original segregations in the mayor's budget. While budget control through segregated appropriations is not favored by such authorities as Buck,[1] it is difficult to see how it could be otherwise where administrative authority is so divided as under the Los Angeles charter.

SURVEYS BY THE BUREAU

The second main field of activity for the bureau is concerned with fact-finding surveys and investigations not directly pertaining to the current budget. Thus surveys have recently been made of the city clerk's office, harbor charges, the playground and recreation department, and the department of water and power (the latter three are non-budget departments). Recent investigations conducted by the bureau have resulted in the location of the municipal airport, the establishment of a police printing bureau, the creation of a bureau of right-of-way and land, and central control of municipal equipment. On moving into the new city hall in 1928 the departments requested $196,000 worth of steel filing equipment which was considerably in excess of the allotment. The board of public works called upon the bureau to investigate the actual needs with the result that current requirements, together with room for much future expansion, were provided for $89,100, or $106,900 less than at first estimated. That saving alone paid the bureau's way for more than two years.

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[1] *Public Budgeting*, pp. 127–135.

Special Assessments and City Planning

How a budgeted city plan aids in the administration of special assessments

BY PAUL A. BANKSON *City Plan Engineer, New Rochelle, New York*

THE methods of special taxation commonly employed are the greatest obstacles to the prompt execution of needed public improvements. If property owners are not to be overburdened, if business is to go forward at the opportune time, if traffic relief is to be attained, it is most important that a well defined plan be followed. If the big schemes of improvements in cities, running into millions of dollars, are to be carried out, great care must be paid to the financial program, for the cost of these improvements to the city at large is reflected, not in the general tax rate alone, but in the amount of money which the property owner is called upon to pay. No special assessment plan can be successful unless coördinated with the general tax scheme.

If special assessments are simply pieces of guess work, if no attempt is made to adjust them to the various blocks, districts, or zones, they may be unreasonable, "for 'reasonable' means that there has been a genuine attempt intelligently to work out" a plan. Just as a true zoning ordinance is comprehensive, districts being selected by virtue of certain considerations, and as a real city plan is comprehensive providing for all foreseen needs, so should special assessments be comprehensive, based on established municipal policy. But as no zoning ordinance is workable without its "safety valve" and no city plan is justifiable unless flexible, so no rules for defining areas and amounts of special assessments are of any value unless adjustable to specific conditions.

Too often city councils arbitrarily fix a per cent benefit within a fancied area. Afterward the area within which the assessable share must be distributed is defined, possibly without rhyme or reason.

All improvements and the assessments therefor should be part of a definite program of improvements within a budgeted city plan. The initiation of projects should come from a planning board or similar department working in harmony with a budget commission. Such procedure will tend to insure an orderly program. Where a city plan is closely followed its influence can be forecast and property owners can prepare in advance for the programmed improvements.

CAREFUL SURVEYS NEEDED

Before any improvement project is initiated, both economic and physical surveys should be made to determine its need and whether the benefited property owners can bear their proportionate shares. From the physical survey a fairly accurate estimate of cost can be made. From the economic survey the ability to pay and the probable benefits can be arrived at. Heavy special assessments may undermine the property owner's ability to pay his general tax. Only by the most careful and controlled planning and zoning can possible future values be predicted. Even when so controlled, there is no absolute assurance that development will follow the prescribed course.

The cost of land takings, building values and leases should be carefully ascertained through negotiations with owners. Real estate boards are usually willing to coöperate, with the result that the estimated cost compares favorably with the actual. It is suggested that at least three independent valuations be had for comparison. Where improvements are planned over a number of years a permanent appraisal committee is recommended.

The cost of physical construction of the improvement should be estimated by the engineering or public works department. Excess condemnation should be resorted to where remnants of lots of odd shapes and sizes remain, where their existence operates to prevent equitable distribution of assessment. Benefits which should accrue to surrounding property from the improvement are actually not received until such remnants have been united with adjoining lots.

AREAS OF BENEFIT FOR STREET IMPROVEMENTS

In cities in which planning commissions are functioning the official map and comprehensive plan serve as an excellent guide in determining the area of assessment.

When the benefit from street improvements is strictly local the assessment area may be limited to one-half block on each side of the improvement. If the benefit is more than local the assessment area may extend to a line midway between the improvement and the nearest parallel street of equal or greater width, or to a line which is the midpoint between the improvement and the nearest parallel street shown on the official map to be improved, or to the boundary of the assessment district of the last mentioned street. Should property opposite the ends of such street or streets be benefited the area should be extended to include it. In general, areas of street benefit should be limited by distances of 1,000 feet and by natural and artificial barriers. Streets already assessed for recent improvements should be given due consideration. Overlapping of assessment districts should be avoided.

In street widenings it should be remembered that when a street reaches a certain width it also reaches its maximum benefit to property frontage. Additional width then should be charged to the area beyond if the benefit is evident, or to the city at large, or both. In the larger cities sixty feet seems to be a generally accepted width for local streets but in many of the smaller cities fifty feet may be more desirable.

If a new street is for purely residential use, abutting property owners should probably pay all. Private developers figure costs to include lots, streets, utilities and carrying charges against which is placed the sale price of lots. If a street is a main artery of traffic or develops into one by reason of the improvement, the excess cost due to the increased width over and above that needed for local use should be spread over the district benefited, which may be a general benefit. If paving specifications are affected by contemplated heavy traffic, they may indicate that it is a through street and that not all should be assessed locally. The construction of a major highway is a benefit to a whole community and this is particularly true when state or county aid is obtained. The cost of by-pass streets can often be assessed on the traffic streets that are thereby relieved.

On an official or comprehensive map is, or should be, shown the intention of extending, widening and creating new streets. In the congested business sections of a city these projects are apt to be near each other. In such event the area of benefit may extend from one improvement to the next one. Usually, close scrutiny of an official map and the data from which it was evolved will suggest boundary limits. Ofttimes a thoroughfare improvement will relieve a nearby street of congestion and even permit one-way streets to be used as two-way. These conditions indicate that one improvement may involve several assessment districts, each one having a different percentage of benefit. Here again, the city plan will disclose the method of approach in arriving at a levy.

Zoning, too, has a bearing on the case. A new street may traverse various zoning classifications. If its purpose is to permit business to expand and changes in zoning classification are necessary, benefit may be evident. On the other hand, if its purpose is traffic relief, it may destroy residential character rendering the land available only for business, but at a time when business should be curtailed rather than expanded.

School (private or public), church, institutional, city, state or government lands should not be excluded from an area of assessment if they properly come within it, for "the benefit resulting from a public improvement inheres in the property affected." By granting such exemptions an unwarranted additional financial burden is placed on the area.

Parks confer general benefit upon all citizens and ofttimes special benefit upon owners of real estate in their immediate vicinity. Playfields, neighborhood parks, large and special parks are provided in city plans in relation to walking distances and density of population. When thus planned each neighborhood should bear its special tax. Experience has shown that where parkways and boulevards have been constructed adjoining land has been greatly enhanced in value.

DETERMINING THE ASSESSMENT

There are two methods of determining the assessment—direct and indirect. In the first, the present value and then the enhanced value are determined, the difference being the amount of benefit. In the second a percentage of benefit is arrived at and later distributed into zones. Although it is usual to express the assessable share as a function of the cost, it is most desirable that the actual benefit be first determined for each zone and the proposed levy stated in terms of percentage. The distribution is composed of two parts; allotted amounts or percentage by zones, and individual lot distribution within each zone. Having established the assessable share, the next step is to determine its distribution.

Several factors enter into the problem of determining this distribution. In the first place, if the city is operating under a budgeted program—as it should—that program itself usually shows how the cost of the project should be divided between the specially benefited property owners and the city at large. Thereafter, the allocation of the assessable share among the parts of the assessment district should be made with an eye to circumstances within the benefit district itself. For example, the district as a whole may be divided into blocks or zones, each of which contains lands of like character similarly used or adaptable to the same uses. In other cases, it may be desirable to take additional factors into account. A given street widening, for instance, may pass through a series of fairly distinct districts, characterized by high costs of land takings at one extreme and low costs at the other. There may therefore be an advantage from the standpoint of equitable distribution in apportioning the assessable share of the costs of land takings within such a district to the lands within the district itself.

The method to be followed in the distribution of assessable costs to the individual lots within each zone may be greatly simplified in cities where land is valued annually for general taxation by an adequate unit system. In such a system, the area, depth, frontage, shape, corners and topography have already been taken into account in the establishment of the taxable values of individual parcels. The assessable share of the cost allocated to a given zone or district, divided by the total assessed land valuation of the same zone or district, gives the tentative rate for each parcel. Multiplying the assessed land value of each parcel by this rate determines its assessable share. This method expresses the levy in dollars and cents with mathematical precision. This amount may be reduced to front footage for purpose of comparison. Using assessed valuations to determine a rate is merely a continuation of an established principle. It avoids duplication of effort and insures uniformity.

In case the zone includes more than simply the lots abutting on the improvement, it is a relatively simple matter to adjust the rate computed in the manner just described so as to make the nearer land pay more than the distant land. If a uniform rate is to be used throughout the district, the assessment may be plotted as a rectangle whose height represents the rate, and whose base is the *length of the affected area* representing the valuation at which the land is assessed for general taxes. If, on the other hand, the rate is to be diminished to zero at the boundary of the district, the figure becomes a triangle whose height is twice the uniform rate needed to produce the same amount when applied to the base. The rate, then, at any point is inversely proportional to its distance from the maximum.

The levies produced by the application of the rates derived in this manner to the assessed valuations of the individual properties are merely tentative. Estimates of present true values and of future values after the completion of the improvement, may be obtained from realty boards, banks and mortgage companies. The differences between the estimated present and future values represent fair and unbiased estimates of probable enhancement, against which to check these tentative levies. If the individual levies produced by the method outlined are less than these estimated enhancements, it may be assumed that they are just. If they are more, they should be revised downwards until they reach the point where, so far as endeavor can prognosticate them, they express in dollars and cents the benefit derived. It is always safer to keep the levy below the full estimated benefit.

RECENT BOOKS REVIEWED

International Housing Congress, Berlin, 1931. —Congress Publication 2, Reports from Various Countries on the Main Theme of the Congress: "The Social Importance of Housing Now and in the Future." The United States section was contributed by James Ford and John Ihlder. Congress Publication 3, General Report on Topic I by Senator F. M. Wibaut. Congress Publication 4, General Report on Topic II: "The Building of Small Dwellings with Reasonable Rents." Congress Publication 6–7, Discussion of the Topics.

The International Housing Association succeeded previous organizations and held a congress in 1931, of which these documents are the background and record. Over 900 attended the congress. We note with special interest the remarks of H. S. Buttenheim, delegate from the United States, who clearly stated the problem: In part, housing costs are higher than they ought to be and in much larger part wages are lower than they ought to be. "Subsidized housing is really subsidizing low wages."

The International Housing Association, with offices in Frankfurt a/M, Germany, offers readers of the NATIONAL MUNICIPAL REVIEW the complete set of seven publications at 25 per cent reduction or 15 marks, postpaid.

ARTHUR C. COMEY.

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BEAT 'EM OR JOIN 'EM. By Clement G. Lanni. Rochester Alliance Press, Inc., Rochester, New York, 1931. 356 pp. $3.00.

This book covers the political history of Rochester from 1925 to 1930 during which period the city manager form of government was adopted. The object of the book is stated in the preface, as proving certain theses, such as, partisan politics is the only practical method of governmental control; nonpartisanship is but another name for a political party of malcontents; all effort toward nonpartisanship is doomed to failure, and similar ideas. The preface says the account is unbiased, but a reading develops a questionable interpretation of this word. The use of the argot of the ward heeler produces an impression that the brave predictions of observers that politics are growing better, does not apply to Rochester where political action apparently still remains of the vintage of Boss Tweed.

The old blurb, "travel does broaden one" is given another chance for life by this account. Had Mr. Lanni journeyed to Detroit, let us say, he would find that nonpartisanship is actual, real and workable. He would find no political bosses, no political parties for local elections and even no ward organization for any kind of election, but still the city enjoys an excellent government, just as Rochester is said to enjoy. Further, he would find that Detroit was not always so blessed for once it had political organized effort for controlling elections but public spirited citizens during the upheavals surrounding the great war, caused innovations in the municipal government which laid the political leaders to rest forever.

The book rather implies that it was just pure luck that the city manager government came to Rochester and it is still more luck that it remains. Among the numerous deficiencies in the treatment of the subject, is a lack of an honest appraisal of the work of the city manager in all departments of the city government, which would have been valuable as Mr. Lanni repeatedly makes it apparent that he sees political life through Republican organization spectacles.

To an undergraduate brought up in a section of this country where politics is not taken so seriously, this book will give an insight as to how some people must select their city administrations. Also, to those merry-andrews who believe that the spectre of a boss-ridden city is forever dead, this book will prove an awakening. But to the average person interested in progress in government, the book offers little except to confirm the opinion that political parties are tumors on the body politic, standing against progress in municipal affairs, and with more interest in maintaining their organization through patronage than in newer methods for a newer day.

The title is the slogan of a former political boss of Rochester.

J. M. Leonard.

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Criminal Justice in Virginia. By Hugh N. Fuller. Monograph No. 10 of the University of Virginia Institute for Research in the Social Sciences. New York: The Century Company, 1931. 195 pp. $2.25.

This is a study of all the criminal cases dealt with in the circuit courts in twenty-six counties and one city, plus corporation courts in seven additional cities, in the years 1917, 1922, 1927 and 1928. The localities were carefully selected to produce average results for the state. The study has yielded seventy tables and there are forty-five illustrative graphs. For this sampling purpose the crimes charged were distributed under sixteen classifications. It is impossible to secure figures strictly comparable with those obtained in any other state. The restriction of the survey as above stated was made necessary by the very limited fund available. The causes for crime and virtually all consideration of the kinds and consequences of punishment were excluded.

The statistical material was supplemented with opinions submitted by more than 120 judges, magistrates and prosecutors. Of the eight chapters, one is devoted to official opinions and one to "indications," a title chosen expressly to negative the suspicion that any dogmatic views were held by the investigators or editor.

With only $10,000 to work with it is surprising that the survey should afford such an excellent body of facts and material for further planning. The report shows that practical judgment of a high order and effective economy of effort were available at all stages.

The figures reveal a great increase in crime in eleven years; that suburban areas tend to resemble the cities; that there is virtually no delay because of congestion in the trial courts; that liquor cases are increasing and that juries mete out penalties much smaller than legislators intended; that pleas of guilty, resulting in reduced penalties as compared with convictions, are materially increasing; that owing to this latter fact and the increase of indulgence in the motion to nolle pros., the prosecutor has assumed an importance in the scheme of criminal justice not realized until such surveys were made. Having no power of sentencing, the judges exert less influence than they might, and juries are used less and less. Administrative justice is usurping the field of judicial justice. Crime increases, not in wave form, but as a slowly rising tide.

This factual and concise study should result in concerted effort to give the bench of Virginia unified power and responsibility, to improve procedural rules at certain points, and to insure talent and long tenure for prosecutors. It should at an early date result in a thorough system of recording data. The state judicial council, as the author evidently believes, marks a beginning. The study is useful to inform the entire country as to the situation in a fairly typical state. It is to be highly commended for its realistic quality.

Herbert Harley.

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A Personnel Program for the Federal Civil Service. By Herman Feldman. U. S. Government Printing Office, 1931. 289 pp. 30 cents.

This report is the fourth and last of the series issued by the Personnel Classification Board under the mandate of the Welch Act of 1928 which called for a survey of the Federal field service. Dr. Feldman, professor of industrial relations at Dartmouth College, served as economic adviser to the board. In the book he outlines the principles of personnel administration he believes the federal government should follow.

Part one deals with problems of government wage policy. Aspects discussed include the historical development of a wage policy, the necessity for classification of positions in the field service and lessons to be learned from the classification of the Washington service, salary adjustments to local living costs, economic principles to be considered in determining salaries, and salary increases and incentives.

Part two is much broader in scope and deals with the whole problem of personnel administration, both in Washington and in the field. Selection and placement, efficiency, grievances, group representation and employee coöperation, and organization for the administration of personnel work are considered. Among other considerations, Dr. Feldman calls for the inclusion within the merit system of many positions now unclassified, greater attention to placement of new employees, machinery to facilitate transfers within the service, greater care in the selection and training of supervisory officials, training of employees, and improvement of working and safety conditions.

The closing recommendation, which is strongly emphasized, advocates that the machinery of federal personnel administration should be reorganized to bring the work under a centralized and unified personnel agency.

The chief value of the report lies in the success with which the author has been able to present an inner view of the federal service. Thus he is able to realize the weight of matters seemingly of minor importance but actually of great consequence. While many of the recommendations are not new, the author's approach and analyses are quite individual and highly enlightening. Like the other Personnel Classification Board reports, this one deserves commendation in that it thoroughly considers governmental personnel administration in comparison with private practices.

John Thurston.

University of Minnesota.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Setting Up a Program of Work Relief.—Joanna C. Colcord. Russell Sage Foundation, 1931. 23 pp. The Russell Sage Foundation has in preparation a book on emergency work relief based on studies of thirty cities in the fall of 1931. It will deal with the development of this type on relief and will give reports on the separate city projects besides the material presented in this pamphlet. The study of current practice by the experienced director of the Charity Organization Department of the Foundation is extremely useful. It is a simple and direct analysis of the factors entering into the organization and administration of relief on the basis of work done for the community with specific suggestions as to what will probably be the most successful and valuable methods. (Apply to Russell Sage Foundation, 130 West 22nd Street, New York City. Price, 25 cents.)

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The Organization and Administration of Public Relief Agencies.—Rose Porter. The Family Welfare Association of America, 1931. 64 pp. The organization of many new public relief agencies has brought to the fore fundamental problems of principle and practice. In order to utilize the best current thought in the field, the President's Committee asked the Family Welfare Association to prepare "a guidance report" or handbook. A Pathfinding Committee on Study of Governmental Relief Methods directed the study which is now offered. After a brief introduction to the subject, the author deals with the organization of the public relief agency, its service to families, personnel, methods of administration, local and national relationships and resources and education on its work as well as for the prevention of dependency. The study should be useful for newly organized relief agencies who need to discover the best methods of administration and also to the older ones who are finding this emergency necessitates reorganization to take advantage of the best modern practice. (Apply to the Family Welfare Association of America, 130 East 22nd Street, New York City. Price, 35 cents.)

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Municipal Work Relief for the Unemployed.—American Society of Municipal Engineers, St. Louis, 1931. 56 pp. The rapid development of the work relief idea has created problems for municipal engineers. At their conference last fall an open forum session was devoted to a discussion of them. Reports of the work in several cities were given. Principles of relief on the basis of work, and federal aid were also treated. (Apply to American Society of Municipal Engineers, 4359 Lindell Building, St. Louis, Missouri.)

Municipal Motor Transportation.—Glen Leet. Norfolk, 1931. 65 pp. Norfolk's experiments with various methods of providing its employées with motor transportation warranted careful comparison. The history of these, with their good and bad aspects, is considered and recommendations made for future action. Practices in other cities are used to illustrate subjects such as the basis of reimbursement for the use of privately-owned cars. Forms are proposed for municipal motor equipment records, and important tables of general interest are included. The study should realize the author's hope "that the experience of Norfolk will be of some service to other municipalities." (Apply to the Office of the City Manager, Norfolk, Virginia.)

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Proceedings of the First Annual Meeting of the American Association of Public Welfare Officials.—Washington, D. C., 1931. 60 pp. In 1930 a group of those engaged in public social work organized this Association to facilitate the exchange of experiences and the advancement of their common interests. This Association met for the first time in 1931 in connection with the National Conference on Social Work. Papers on various aspects of governmental social welfare work were presented and are here published as a reprint from the Social Science Review. (Apply to American Association of Public Welfare Officials, 1800 E Street N. W., Washington, D. C.)

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Funds Received by Wisconsin Cities and Villages from State Aids and State Taxes.—League of Wisconsin Municipalities, 1931. 11 pp. Sources of income from the state for cities and villages are listed under 17 separate headings which may be classified as income, utility, terminal, telephone and highway privilege taxes, fire insurance dues and state aid for local streets and various types of state aid for education. This bulletin indicates also when the local treasurer should receive these funds and the basis on which they are distributed. (Apply to the League of Wisconsin Municipalities, 114 N. Carroll Street, Madison, Wisconsin. Price, 50 cents.)

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Summary Report of the Mayor's Advisory Commission.—Chicago, 1931. 9 pp. with charts. Mayor Cermak has submitted to the Council the report and recommendations of the Survey Committee of which J. L. Jacobs is secretary. The study of departmental organization, methods, services and costs has revealed that $22,150,000, or over 18 per cent of the present appropriation, could be eliminated by action of the City Council. Roughly half of this can be saved in the cost of operation, maintenance, and construction; the other economy depends upon careful planning, standardized specifications and close supervision over contract expenditures financed by special assessment and bond issues. Acting upon the theory that tax relief is dependent upon responsible and improved management and vigorous economy in operating and capital expenditures without sacrifice of efficiency or public service, the Commission recommends the elimination of unnecessary positions and employees, consolidation, reorganization and coördination, a centralized purchasing system, simplification of administrative and office methods, more effective civil service administration, a more effective financial control with simplified reporting on municipal services, costs and expenditures. Detailed reports and ordinances to effect recommendations made are under consideration by the Council. (Apply to Office of the Mayor, Chicago.)

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License Taxes on Automobile Dealers, Garages, and Filling Stations.—League of Virginia Municipalities, 1931. 14 pp. The director of the Municipal Reference Bureau, Harold I. Baumes, has continued his study of license taxes and reports on specific charges made on automobile dealers, garages, and filling stations in each municipality of the state. The range is from $5 to $125 on dealers and garages, and from nothing to $25 a pump for gasoline stations. (Apply to League of Virginia Municipalities, Travelers Building, Richmond.)

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Code of Ordinances of the Town of Rainelle, West Virginia.—Morgantown, 1931. 95 pp. In April, 1931, the council of Rainelle in the county of Green Briar voted to have their ordinances revised and codified under the supervision of the Bureau for Government Research of West Virginia University (of which John F. Sly is director). The code, arranged, authenticated and published, is an example of the desire of a small community (population 920) to have its ordinances in up-to-date and usable form. (Apply to the Recorder, Rainelle, West Virginia. Price, $1.50.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE *Professor of Law, New York University*

THE NEW JERSEY RIPPER BILLS

A REVIEW OF THE DECISION OF THE COURT OF ERRORS AND APPEALS IN McCARTHY v. WALTER

BY SPAULDING FRAZER

Reversing the Supreme Court (107 N. J. L. 223, 152 Atl. 175), the Court of Errors and Appeals of New Jersey in the case of *McCarthy* v. *Walter* (9 N. J. Adv. Rep. 548, 156 Atl. 772) appears to have markedly changed New Jersey law in relation to the right of the court to inquire into the constitutionality of statutes in quo warranto proceedings brought at the instance of a private relator to which the corporate entities whose constitutional existence is thus attacked are not parties.

Two actions were instituted by five private relators claiming to be park commissioners appointed by the governor under the authority of Chapter 261 of the Laws of 1930. Under a law enacted in 1888, the board of chosen freeholders in any county is authorized to determine the advisability of laying out a highway or boulevard and to submit, upon such determination, the question as to whether such boulevard was to be laid out, to the voters. Under an amendment in 1898, the powers in regard to the boulevard thus established by vote of the electors were transferred to a board of three boulevard commissioners elected at large, no more than two of whom should be of the same political party. This act was adopted by the people of Hudson County, and its constitutionality sustained in the case of *Noonan* v. *Hudson County* (51 N. J. L. 454, 18 Atl. 117; 52 N. J. L. 398, 20 Atl. 255).

In 1902 the so-called Hudson County Park act was passed, which also provided for its becoming effective upon its submission to the voters through resolution adopted by the board of freeholders. This act provided that the freeholders should appoint a bipartisan board of four members, who should have control of the parks in the system. This act was also adopted by Hudson County, in which alone the provisions of either of the acts became operative.

In 1930 the legislature adopted three acts, popularly known as the Hudson County Ripper Bills, the first of which, Chapter 260, abolished the offices of the park board, the second of which, 261, abolished the offices of boulevard commissioners, and placed their functions in the board of park commissioners, and the third of which, Chapter 262, provided for the appointment by the governor of a park commission of five persons, no more than three of whom should be of the same political party.

The commissioners, both boulevard and park, whose offices were abolished by Chapter 260 and 261 respectively, refused to cease the exercise of their functions, and the new gubernatorial park commissioners thereupon proceeded in two actions in quo warranto to attempt to establish their title to exercise these functions, bringing the action under Section IV of the quo warranto act, which allows anyone claiming to be lawfully entitled to a specific office to file an information in the nature of a quo warranto without the intervention of the attorney-general and without leave of the court against the alleged intruder.

The Court of Errors and Appeals held that proceedings under this section would lie only where there was identity of office, and that therefore the action might not be maintained by the new commissioners against either the former boulevard or park commissioners since the new office attempted to be created, combining as it did the functions of the two earlier boards, lacked that identity essential to an information by a private relator. A leading case in support of this contention was that of *Morris* v. *Fagan* (85 N. J. L. 617, 90 Atl. 267) in which the city clerk under the commission government act was held not to be an identical office with the office of city clerk under an earlier charter form of government. The opinion in this last mentioned case was written by Chief Justice Gummere, who in the case of *McCarthy* v. *Walter*, sat in the Supreme Court which sustained the right of the relators in the instant case to maintain an information. In view of the earlier decisions, the conclusion of the Court of Errors and Appeals in this regard would seem to be sound.

On this phase of the case, however, the higher tribunal was not content to rest alone upon this procedural ground, but saw fit to take under consideration the question of the constitutionality of the Park Act of 1902. On this phase of the matter the Supreme Court had held that, neither the park board nor the boulevard commission being parties to the action, the de jure existence of those bodies might not be called into question, such a right being a prerogative of the state through the attorney general. This view, which seems to be supported by competent earlier authority (*Ayers* v. *Newark*, 49 N. J. L. 170, 6 Atl. 659; *Dodd* v. *Camden*, 56 N. J. L. 258, 28 Atl. 311) proceeded to consider the constitutionality of the act from the standpoint of the referendum provision requiring action by the board of freeholders before submission to the voters, relying as to major authority upon the case of *Attorney-General* v. *McGuinness* (78 N. J. L. 346, 75 Atl. 455), which held that if any will other than the legislative will was to be interposed between the enactment and taking effect of given legislation, it should be the will of the people and not an alien will even though it might be that of the governing body of the local municipality. This case arose under the construction of the state civil service law which might, as originally drafted, be adopted either on a referendum or by resolution of the governing body alone, and it was in relation to such an adoption by the governing body alone that the cause came before the courts. It is therefore clear that for the decision in that case, it was not necessary to pass upon the propriety of a referendum which required before its submission to the people a preliminary resolution of the governing body. While it may be cogently argued that were this situation one of a novel impression the requirement of a preliminary resolution by the governing body as a condition precedent to submission to the people might involve the interposition of a foreign will between the legislature and the people contrary to the expression in *Attorney-General* v. *McGuinness*, *supra*, the matter was not one of novel impression in the New Jersey courts.

The opinion in the instant case sought to distinguish certain of the earlier cases. One of these cases is that of *Noonan* v. *Hudson County*, *supra*, in which the constitutionality of the Hudson County Boulevard act was questioned. A careful reading of this decision would indicate that the court had before it the rather broad question of the power of the legislature to refer such questions to the people rather than the question of the intervention of the will of the governing body as a condition to such reference. The leading case relied upon was the early decision in *Paterson* v. *Society* (24 N. J. L. 385) wherein the broad question of referendum was discussed and the power established. That the court in the Noonan case referred to the boulevard act as a road act and to the practice of reference in such cases as having been in vogue prior to the adoption of the constitution does not seem a satisfactory basis of distinction between that act and the park act, which in itself is in the nature of a road act. However, it must be admitted, although this phase does not seem to be stressed in the court's opinion, that the grant to the board of freeholders in the boulevard act might be construed as a grant of power limited, however, by the requirement that its exercise could be full only upon the concurrence of the voters, so that it is arguable that the act was "legislative" rather than of "referendum" nature in accordance with the classification established in *Attorney-General* v. *McGuinness*.

Such reasoning, however, does not apply to the case in re Cleveland (51 N. J. L. 319, 18 Atl. 67) where provisions for the acceptance of a new municipal charter required the intervention either of the governing body or of the mayor under the theretofore existing form of government. The charter in this case was clearly a pure referendum act and required for its effectiveness not merely the vote of the people but a preliminary resolution or proclamation of existing municipal officials. It would seem that this case in principle is indistinguishable from the Hudson County Park act, if that act be considered as a pure referendum statute, while if it be considered as granting legislative power the same conclusion would seem necessarily to follow under *Noonan* v. *Hudson County, supra.*

After coming to the conclusion that the Hudson County Park act was unconstitutional, the court proceeds to the consideration of Chapter 261 of the Laws of 1930, which abolished the offices of boulevard commissioners and vested their functions in the park commission. Again the conclusions at which the court arrived seem to be sound in holding this act special legislation. A brief analysis of its operation in conjunction with the simultaneously adopted other acts makes it clear that it can apply to Hudson County alone despite the broad titles of both the original park and boulevard acts making them applicable to any county wherein they may be adopted. Under the combination sought to be effected by the so-called ripper legislation, it was no longer possible for any county to take advantage of Chapter 261 in the same manner and to the same extent that such act would be operative in Hudson County unless the voters of another county should vote affirmatively for the establishment not only of the boulevard, but of the park system as well. It is therefore not so much from the standpoint of the result as from the unusual chain of argument which the court uses before coming to the consideration of unconstitutional features of specialness that the opinion is open to objection.

Thus at page 558 the court points out that the effect of the legislation is to substitute "a politically dominated board for the theretofore bipartisan park board" and that a similar effect is had on the boulevard commission. Such matters we have always conceived to be matters of policy for the determination of the legislature and to be quite beyond the competency of the courts, provided they did not transcend constitutional inhibitions. Surely if the courts may enter into the questions of motive, whether political or otherwise, actuating the legislature in the adoption of otherwise constitutional legislation, the principle of the coördinate rank of the various governmental departments must fall. But that the court in this instance assumed such a right appears conclusively from the paragraphs immediately following those above referred to. It indicates that the purpose, as well as the effect, of the legislation under consideration is the destruction of the principles of local self-government and home rule, and immediately follows with the statement, strongly affirmed in *Attorney-General* v. *McGuinness,* that such principles are not guaranteed or secured to the citizens by the constitution. If such be the law of the state, as it undoubtedly is, this inquiry is wholly beside the point, and the later suggestion that this local self-government and home rule are sought after, demanded and zealously defended, seems equally irrelevant. Following this excursion, the court by clear inference asserts to itself the right to inquire into the bona fides of the legislature, and implies that only when this bona fides is present is the law as stated in a quotation from *Attorney-General* v. *McGuinness* applicable. This implication is forced home by this remarkable paragraph:

> When, however, statutes of the character of those before us, framed for the purpose, with the design, and having the effect of evading, or, *being by the merest technicality,* an obedience to, and observance of, constitutional requirements and mandates, come before the courts for their approval as constitutional enactments, the duty of the courts is that "they should not be astute to suggest or countenance nice distinctions . . ." in order to uphold and support such legislation. (Italics ours.)

It seems quite obvious from this line of reasoning, which in the ultimate throws no light whatever upon and was wholly unnecessary to support the conclusions subsequently arrived at, that Chapter 261 of the Laws of 1930 was unconstitutional as special legislation, that the court gave expression to sentiments wholly unjudicial in character and quite beyond the proper scope of judicial inquiry.

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Insurance of Drive-It-Yourself Cars.—REGULATION OF DRIVERLESS CARS—THE SUPREME COURT UPHOLDS ORDINANCE REQUIRING AUTO RENTING CORPORATIONS TO INSURE AGAINST LIABILITY OF DRIVERS.—The Supreme Court on

January 4 affirmed the judgment of the Supreme Court of Ohio in *Hodge-Drive-It-Yourself Co.* v. *Cincinnati*, 123 Ohio St. 284, 175 N. E. 196, reported and discussed in the April, 1931, issue of this REVIEW. In a short opinion by Mr. Justice Butler, 52 Supreme Court Reporter 144, the court calls attention to the fact that the basis of the ordinance is the power of the city to prescribe reasonable regulations of the privilege of using the public highways for profit. Having previously sustained the constitutionality of statutes requiring similar bonds from owners operating vehicles upon the highway in the enjoyment of their common right (*Packard* v. *Banton*, 264 U. S. 140), no serious question of the application of the police power was before the Court. As there was nothing on the face of the ordinance or in the record to warrant the conclusion that the classification was capricious or arbitrary, the claim of repugnancy to the equality clause of the constitution was held to be without foundation.

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Annexations and Debts.—REFUNDING BONDS —NOT SUBJECT TO REFERENDUM. ALL LANDS ANNEXED BECOME SUBJECT TO PREËXISTING DEBTS OF CITY.—The Supreme Court of Florida in *State* v. *Miami*, 137 So. 261 holds that the state legislature has unlimited power to subject annexed territory to preëxisting debts of a city, notwithstanding that statutes in force at the time of annexation provided that no such liability should be imposed. The appeal was from a decree validating four issues of refunding bonds of the city of Miami, from which the inhabitants of the former city of Cocoanut Grove and the towns of Buena Vista and Silver Bluff, all annexed in 1925, claimed immunity.

In holding that the statutes in force at the time of annexation gave rise to no contractual rights as against the power of the state to modify the immunity thus assured, the court affirms the plenary power of the state legislature to allocate the existing assets and liabilities of municipalities upon the annexation or disannexation of territory, whether at the time the boundaries are changed or later. Whatever rights holders of the bonds may acquire under such acts, so far as the city or the taxpayers are concerned, any provisions that have been made are subject to later legislative modification.

In 1930 Florida adopted an amendment to its constitution (Art. 9, sec. 6) making the issuance of bonds by counties, districts or municipalities subject to an approval of the majority of votes cast in an election held for that purpose in which a majority of the resident voters shall participate. The amendment, however, expressly excepts bonds issued exclusively for refunding bonds outstanding and the accrued interest thereon.

✢

Implied Powers.—BUILDING REGULATIONS—CONTROL OVER INSTALLATION AND OPERATION OF PRIVATE HEATING SYSTEMS.—The doctrine that the implied powers of a municipal corporation can go no further than what is essential to carry out the express powers has been nowhere more strictly applied of late than by the courts of Illinois. Partly as a result of this position, the legislature has enacted statutes specifically conferring broad police powers in many cases. In *Chicago* v. *Wonder Heating & Ventilating Systems, Inc.*, 178 N. E. 192, the power of the city to pass an ordinance regulating the installation of warm air heating furnaces without complying with stated specifications and obtaining a permit from the commissioner of buildings was before the supreme court of the state. The ordinance further requires the owner to file a bond and to pay an annual inspection fee and imposes a penalty of from fifty to two hundred dollars for each day any violation continues.

In sustaining the ordinance the court affirms a report made by Commissioner Partlow and adopts his opinion, in which is set forth section 63 of article 5 of the Cities and Villages Act empowering the city council "to prevent the dangerous construction and condition of chimneys, fireplaces, hearths, stoves, stovepipes, ovens, boilers," etc. Under this broad power, the ordinance is declared valid and the fees and penalties imposed are found to be reasonable. The construction of the commission is supported by *Klever Carpet Cleaners* v. *Chicago*, 323 Ill. 368, 154 N. E. 131, 49 A. L. R. 103.

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Health Regulations Not a Home Rule Function.—HOME RULE AND CIVIL SERVICE—HEALTH OFFICERS IN OHIO HELD TO BE PERFORMING A STATE AND NOT A MUNICIPAL FUNCTION.—A recently reported decision of the Ohio Court of Appeals, Stark County, *Board of Health of Canton* v. *State*, 178 N. E. 215, holds that under the Hughes Act (Sec. 1261–16 General Code) creating district boards of health, the legislature withdrew from the municipalities of the state any independent power over the exercise of the functions of board of health. The Supreme Court of Ohio had held in *Cuyahoga Heights* v. *Zangerle*, 103 Ohio St. 566, 134 N. E. 686, that the state legislature had power to enact general laws for safeguarding health, but the present decision goes further in holding that health is no longer to be deemed within the scope of municipal home rule functions.

The action was by mandamus to compel the board of health of the city to certify to the auditor that the relator was entitled to be paid certain moneys alleged to be due him as an employee of the board. As such employee under civil service he had been dismissed by the board after due notice and hearing, but upon review by the civil service commission, the charges were found to be unfounded. The defense was that the relator was not an employee of the city and therefore not governed by the civil service rules.

In holding that the relator was an employee not of the city but of the board of health of the city of Canton, a distinct political subdivision of the state, the court finds that the civil service commission had no jurisdiction over him and that the board had full power to discharge him. The court holds very properly that the fact that the city had for many years regarded the local board of health as a department of the city government or that it is responsible for the payment of the board's employees does not affect this conclusion.

The provisions of the Chapter E of the General Code of Ohio states that the civil service includes "all offices and positions of trust and employment in the service of the state and the counties, cities and city school districts thereof." In designating school districts, a member of a class of public agencies neither strictly state or municipal is expressly included, and by the application of the familiar rule of statutory construction" *expressio unius est exclusio alterius*" the court concludes that all such local agencies are excluded from the purview of the statute. This may not have been the design of the framers of the statute, but is clearly the effect of the words they have used.

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Contractor's Bonds.—Liability of Surety to Laborers and Materialmen.—Alabama as well as several other of our more progressive states requires that the claims of laborers and materialmen may be enforced directly against the surety upon the statutory bond required to be given by all contractors on public works. The Alabama statute passed in 1927 provides that "any person supplying the contractor with labor, materials, food stuffs and supplies may bring an action on such bond in his own name within six months after the final completion of the work contracted for" (Code 1928, Act 8A, §6836).

In *Pettus* v. *State*, 137 So. 466, the defendant Pettus set up the plea that previous to entering into the contract upon which the labor was furnished, he had advertised in the press, and given notice to the claimant that he would not be responsible for the debts incurred by any of his subcontractors on the contract in question. The Court of Appeals of Alabama in sustaining a demurrer to this plea says:

> The bond is statutory, and is required for the protection of all parties connecting themselves therewith, and we know of no law, and appellant has cited us to none, which would authorize a discharge or modification of the legal obligations of the bond, by a giving of notice, either by publication or actually, by the principal contractor that he would not be liable for debts incurred by his subcontractors in connection with the work embraced in the contract, and for which he had made his bond.

For another recent decision applying a similar statute requiring a bond that that may be enforced directly by laborers or materialmen, see *Smith* v. *McKnight*, 4 Pac. (2d) 305, in which the District Court of Appeal, Second District, Division 1, of California holds that, as the remedy is entirely statutory, the failure of the claimant to comply with the provision requiring a notice to be filed with the city official in charge of the work will preclude recovery against the surety.

In New York where the question of whether a materialman may recover on such a bond in an action in equity is now before the courts (see note in January issue, p. 39), Judge Lewis of the Municipal Court of the City of New York in *Knickerbocker State Corporation* v. *Union Indemnity Co.*, 253 N. Y. S. 514, has recently held that the surety company will be liable in a direct action if the bond contains a clause agreeing that the "undertaking shall be for the benefit of any materialman or laborer having a just claim as well as for the obligee herein." Whether this decision is correct will have to await the further statement of the law by the higher courts of the state, but the conclusion of the trial court finds support in the statement made by the Court of Appeals in *Fosmire* v. *National Surety Co.*, 229 N. Y. 44, where the decision was placed expressly upon the ground that the bond read in its entirety did not indicate an intention of the parties that a materialman was to have a right to sue thereon. The court in that case, however, distinctly announced that it did not thereby decide that if the contrary intention were expressed in the bond the materialman would have a right of action.

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Expansion of Doctrine of Implied Powers.—Implied Powers—Extension of Doctrine—Power of the City of New York to Construct Bridges and Tunnels to be Financed by Bond Issues Includes Power to Charge Tolls.—The Court of Appeals of New York in *Robia Holding Corporation* v. *Walker, Mayor of New York,* (November 17, 1931) 257 N. Y. 431, 178 N. E. 747, affirmed a judgment dismissing the complaint in a taxpayer's action to restrain the city authorities from issuing some $3,000,000 of bonds for bridge and tunnel construction, to the retirement of which revenues from bridge and tunnel tolls were pledged. The specific ground of objection urged by the plaintiff was that an express grant of power was necessary to authorize a city to charge tolls for the use of the public highways. The Appellate Division had held (230 App. Div. 666) that however that question might be decided the subsequent enactment of the state legislature recognizing the action of the city amounted to a ratification and cured any defect in the original grant (see *Irvine Toll Bridge* v. *Estill County,* 210 Ky. 170, 275 S. W. 634).

The highest court of the state, however, preferred to rest its decision upon the broader ground that the local laws authorizing the construction and financing of the improvement in question were valid in their inception. The court argues that the doctrine that implied powers are restricted to those that are absolutely essential should be discarded and the rule of reasonable construction should be substituted. The decision is undoubtedly correct, but one may well question whether the court might not have reached the same conclusion by a proper application of the stricter doctrine of implied powers.

The opinion of Justice Sherman of the Appellate Division, First Department, in sustaining the power of the city clearly shows that after the local law was duly filed in the office of the secretary of state the legislature recognized its validity by enacting a law surrendering to the city certain lands necessary for the construction of the bridge (Laws of 1929, ch. 379). Later it ratified the construction and equipment of tunnels out of tolls to be collected (Laws of 1930, ch. 373) and still later declared the bridge which is to occupy the property ceded by the state to be a municipal toll bridge (Laws of 1930, ch. 437). These acts in themselves were a ratification of the acts of the city sufficient to cure any want of power in the city at the time the local law was enacted.

The Court of Appeals in its opinion by Judge Lehman points out that both by general laws and by the terms of its charter the city has the express power to build bridges and tunnels and to provide for their cost by the issue of municipal bonds and the further express power to issue corporate stock and serial bonds for "revenue producing" improvements applicable "to that class of improvements . . . the expenditure for which shall at the time it is authorized be determined by the board of estimate and apportionment to have a substantial earning power" (Charter §169). Under the latter clause it seems plain that the power is conferred upon the local authority to determine which of the improvements it is authorized to make shall be paid for from revenue. In view of the intention of the legislature as shown by these acts and by the spirit of the City Home Rule Law (Cons. Laws, ch. 76), and other earlier legislation which expressly conferred such power upon the agencies then created to carry into effect similar projects, it seems that the power in question might more fairly be termed one expressly given by statute.

This conclusion is borne out by the statement of the court itself when it says:

> Here the power conferred upon the city by its charter to construct and operate bridges and tunnels was, as we have pointed out, combined with a power to provide for the cost of bridges and tunnels so constructed by the issue of municipal bonds (sec. 47). The power to issue bonds for such improvements is so regulated by the provisions of section 169 of the Greater New York Charter that it could not be effectively exercised unless such improvements were "revenue-producing." It cannot be, and is not, disputed that, when the Legislature adopted those sections of the charter, it contemplated that tolls and charges would be imposed for the use of any bridge erected by the city out of funds provided by bond issues. It is said, however, that the Legislature may have intended that before any bonds could be issued to provide for the construction of a particular bridge, authority must be obtained from the Legislature to exact charges upon the proposed bridge. Such constructions would impute to the Legislature an intention to make its grant of authority illusory.

PUBLIC UTILITIES

EDITED BY JOHN BAUER *Director, American Public Utilities Bureau*

Is Utility Regulation Hopeless?—A committee of the New Jersey League of Municipalities was recently appointed by its executive secretary, Sedley H. Phinney, to consider the workings of regulation in New Jersey, and to recommend such changes in the law and in administrative machinery and standards as would be deemed desirable. As might be expected, the members of the committee divided on the basic issue as to whether it is worth while to attempt to revise the system of regulation. We believe that the correspondence on this question between George L. Record and the editor of this Department has general public importance.

Mr. Record has an extraordinary background of experience to discuss the fundamental issues involved. He has come to feel complete disillusionment as to his earlier point of view and faith. Based on very intimate experience and fundamental reflection, he has come to the conclusion that any system of regulation is certain to come under the control of the interests to be regulated and will finally serve to protect privilege instead of the public interest. Mr. Record's letter was in response to our general position, especially as presented before the Public Ownership Conference at Los Angeles in September.

MR. RECORD'S LETTER

Dear Mr. Bauer:

I have your letter of November 24th with a copy of your speech at the Los Angeles Public Ownership Conference.[1] By the same mail I have received a letter from Mr. Phinney with a copy of the speech by Frank Sommer, and a summary of some seventeen recommendations for changes in the Public Utility Law. I have read with great interest your Los Angeles speech.

It seems to me that your argument in support of your position that public utility regulation is preferable to public ownership as a remedy, or is a necessary method because of the impossibility of establishing public ownership, is as strong an argument as can be made on that side. What disturbs me is that in such an argument you completely omit the fundamental difficulty with regulation, which is that the profits of monopoly are so enormous that the monopolies are compelled to control legislative and judicial action, and do absolutely control it. Every person that I have ever met, who actually has taken part in active politics, does not deny that these monopolies actually control the organization of the dominant party in each important state, and also control the organization of the minority party to the extent of preventing that party from making an issue out of the subserviency of the dominant party to these monopolies.

You say, for example, that without any more legislation better results can be accomplished if the commissions are properly constituted and are adequately supported with technical assistance. This is the exact point which I am trying to have you meet. How are you going to get more vigorous commissions? The whole history of regulation is that the commissions tend more and more to fall into the hands of politicians representing the monopolies, and where an occasional commission, owing to some special election is installed and actually tries to do something, the companies run off to the federal courts and endless litigation ensues. For example, at the moment, owing to Governor Roosevelt's election, Milo R. Maltbie is the dominating force on your New York commission. No better individual, or more courageous or more public spirited commissioner, has ever appeared in America. If he attempts to reduce rates slightly, the companies may yield, because the improvements in manufacturing their products have so cheapened production that they can well afford to make the reduction and still continue their exorbitant profits. But if he attempts to reduce rates to a fair return on actual cost, the companies will go off to the federal courts and his decision will be set aside. In any event, the litigation will continue until Governor Roosevelt is replaced by a reactionary Republican or Democratic successor, and Maltbie will disappear as our effective commissioners in New Jersey have disappeared. This is the point you entirely ignore, as does every other advocate of continuing regulation as a remedy.

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[1] For an account of the Los Angeles talk, see November issue of the REVIEW.—ED.

Governor Pinchot in his first term, as I remarked the other day, had the appointment of an effective public utility commission, and the power interests got his appointees away from him before the end of his term, and now although again elected Governor he is unable to reform this commission.

I wish you could be gotten to see that this fundamental truth, which so far as I know nobody denies, is fatal to your whole position.

The same point applies to your public defender suggestion. If the monopolies are able to control the commission, why can they not control the public defender?

The next point in which it seems to me you are fundamentally mistaken is the assumption that you can establish actual cost as the yardstick for determining fair value. You are absolutely right in declaring that this is the only yardstick. Brandeis says that "prudent investment" is the yardstick, but the word "prudent" destroys the yardstick and opens the door to every kind of evasion. Actual cost is the only yardstick. You say that this can be established by regulation. I challenge the authority for that statement. All of the decisions of the courts are to the effect that no single yardstick can be set up by the legislature, and that no legislation, state or national, can take away from the courts the power to determine in each individual case whether the commission has taken into account and given proper weight to all the different elements which go to make up value as defined in *Smythe* vs. *Ames*. In the latest decision of the court in the O'Fallon case, the Interstate Commerce Commission actually made a test case. They found the valuation of this railroad upon the basis of actual cost, and the Supreme Court set it aside with the flat declaration that actual cost could not be made the yardstick. The state and United States courts have repeatedly applied this principle in other cases. In the face of these decisions I cannot understand how you can claim that this yardstick can be set up by Congress or any legislature.[1]

The language of your general statement shows how hopeless is your point. You say that "any reasonable program that is warranted by public purposes can be instituted by the exercise of state sovereignty, provided that the investors are treated fairly and that the legislation is really necessary to safeguard and promote public interest in the basic industry." In that one statement you give away your case for regulation. The question what is or what is not reasonable, or what program is warranted by public purposes, whether the investors are treated fairly, or whether the legislation is really necessary to safeguard and promote the public interest — all these questions cannot be taken away from the courts by legislation if the monopolies choose to litigate.

The position which you must establish is this: A legislative statute prescribing that actual cost shall be the sole yardstick in determining value upon which to fix a fair rate, can be enforced in our state and federal courts as constitutional exercise of legislative power. I challenge you to get me the legal opinion of any reputable lawyer in America who will undertake to defend that position by citations from judicial decisions.[2] Your general statement, therefore, it seems to me gives away the whole case, and if you are wrong, then as you say, we are forced to consider regulation as a failure.

If regulation is a failure, it is idle to consider what are the difficulties in public ownership. The argument that the only true remedy for a great wrong cannot be accomplished in a generation is beside the point. The question is, what is the remedy? If I am right in my position, then all of you people who continue your half-hearted and reluctant defense of regulation are holding back the proper education of the public, which must precede the adoption of the true remedy, whether it take one generation or several.

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[1] For a detailed analysis supporting the view that a fixed yardstick can be established by legislation, see John Bauer, "The fixed rate base—why is it constitutional?" Public Utilities Fortnightly, July 10, 1930; also, "New York survey of public utility regulation," American Economic Review, September, 1930.—Ed.

[2] The challenge is successful because the particular issue was never before any court. The O'Fallon case involved a substantially different situation.—Ed.

It is particularly unfortunate that influential men like you, Governor Pinchot and Governor Roosevelt, are treating regulation as though it could be made effective at this time, when it begins to look as if the next presidential election, less than a year away, may turn upon the point of the control of our politics by the power interests. A single campaign by a man of the prominence of Governor Roosevelt or Governor Pinchot upon the issue that regulation has failed completely, and that public ownership is the only remedy, would have the prospect of an immediate ratification by the public, instead of requiring a generation of agitation.

There is another point which is overlooked by the advocates of regulation. If it were possible to establish real regulation, that is a return of six or seven per cent upon actual cost, with the elimination of exorbitant salaries and padded special expenses which conceal the cost of influencing legislation, the result would be the elimination of the privilege of charging the excessive rates which are necessary to afford a return upon watered stock and to control legislation, in which event the high officials and banking houses which control these concerns would have no incentive to continue to control. No utility magnate would be content with a reasonable salary, and no banking house is interested in a six per cent return. They would promptly turn over these utilities to the public at an excessive price, exactly as the Belmonts did with the Cape Cod Canal when it proved an unprofitable investment.

The agitation needs to be put upon another basis than reducing rates. It must be put upon the basis that monopoly cannot be and never has been successfully regulated; that, as Lincoln said of slavery, it cannot be confined or controlled or regulated. It either has to be abolished or it will extend all over the country and to every industry which is capable of monopolization, and rule the country. . . .

MR. BAUER'S ANSWER

Dear Mr. Record:

I find myself in substantial agreement with you as to the facts and problems involved in dealing with public utilities from the public standpoint. I have been battling with myself on these matters for many years just as you have, together with others who are sincerely interested in sound public policy. . . . Every municipality, every state, and the federal government should be free to institute public ownership and operation according to the conditions that exist and within the natural limitations of the industries.

I have had occasion to investigate in considerable detail the Ontario Hydro-Electric system. I have been greatly impressed by the wisdom that our Canadian brothers have exercised in dealing with the electric industry. They had the good fortune, however, in starting when the industry was young before private interests had become deeply intrenched. I should like to see parallel organizations in the United States. However, there is here the fundamental difference in that the private interests are deeply rooted, and it would be extremely difficult and costly to dislodge them and to replace them with publicly organized systems.

It is in consideration of these conditions that I find myself unable to go fully along with you. While it is true that, as you say, if a few men like Governor Roosevelt and Governor Pinchot were to wage their popular campaigns exclusively on the public ownership platform, public opinion would be molded rapidly and a general program might be realized in comparatively few years, there are not many Roosevelts or Pinchots, and, at best, it would probably require more time than you visualize. In the meanwhile we shall be forced to continue many of the properties in the hands of private companies. Whether this be for ten years, twenty-five, or fifty, the question is, should we let them carry on as they please, or should we strive to make them follow some sort of public pattern?

As to fundamental principles advanced to control future policy, I have great reluctance to subscribe to any single formula. There are striking instances of great success of publicly owned electric plants; but that this proves public ownership generally will be equally successful is quite another matter. And particularly it does not prove that public ownership will be justified at whatever price it may be obtained under the difficulties with which its establishment would have to be carried out. I feel, therefore, that our policy of dealing with utilities should proceed at least along two lines, first, making public ownership legally permissible; and, second, establishing definite standards and workable methods of regulation. The two, it seems to me, go together toward the same end of conserving the public interest in utilities.

You are convinced, however, that the regulatory part of the program is utterly hopeless and futile. If you are right, then is not the public ownership course likewise doomed to failure? If, because of the factors you mention, an adequate system of regulation cannot be established, what justification is there to assume that there is sufficient clear headedness as to public interest, and adequate political independence, to establish public ownership and carry it out successfully? If we have enough public initiative to institute successfully public ownership and operation, notwithstanding the tremendous obstacles, why cannot the same forces bring about a revision of standards and methods of regulation in the public interest?

If we are so hamstrung by private interests in our dealing with efforts at regulation, it seems to me that the same private interests would be even more concerned to prevent success of public ownership. Progress, in any case, depends upon a considerable measure of public intelligence, integrity, initiative and independence. If these essential qualities cannot be counted upon for effective regulation, I should be reluctant to rely upon them in promoting public ownership and operation.

We have passed through an era of very low ebb of public spirit. It contrasts sharply with the years from 1900 up to the time of the war. My personal feeling is that we are now entering into a new era when the public interest will have much greater consideration than it has received during the past ten years. If so, I think we can make progress both in the field of public ownership and of regulation. If not, then I doubt whether the efforts in either direction will be very fruitful as to satisfactory results. . . .

MR. RECORD'S REPLY

Dear Mr. Bauer:

Answering your question that if I am right in my contention that an adequate system of regulation cannot be established, what justification is there to assume that there is sufficient clear headedness as to public interest, and adequate political independence to establish public ownership and carry it out successfully? If we have enough public initiative to institute successfully public ownership and operation, notwithstanding the tremendous obstacles, why cannot the same forces bring about a revision of standards and methods of regulation in the public interest?

This question raises the vital point of the whole subject, and one has to have some experience in practical politics, or familiarity with political history, to see clearly the answer. The answer is two fold.

First—There is no example in human history of the successful regulation of privilege. This was the essential point of Lincoln's attack upon slavery.

Second—When you come to organize public opinion the simpler the problem the easier it is to secure public support. The abolition of slavery was enormously difficult. It is hard to get the present generation to realize how utterly hopeless the abolition of slavery appeared, even as late as 1860. But if the Republican party had been organized to mitigate and reduce the evils of slavery by regulation; if the proposition submitted to the public had been to interest them in laws compelling the slave holders to treat their slaves better, to shorten their hours, to enlarge their cabins and to give them an extra suit of clothes a year, it would have been politically impossible to enlist public opinion, because the vital moral principle that slavery was wrong, and because it was privilege, and because it threatened to extend all over the country, was omitted.

The public have completely lost interest in any attempt to make regulation more effective. This is because regulation has completely failed to realize the hopes of all of us who helped to establish the policy in this country. What we said would happen has not happened, and the advocates of regulation are hopelessly discredited. They have lost public confidence.

On the other hand, Lincoln's principle that privilege is inconsistent with a democracy, that it cannot be regulated, limited or controlled, and that it is immoral in that it enables a few to absorb without service or return the earnings of the many, is an ideal which appeals to the moral sense of the average man. . . .

MR. BAUER'S REJOINDER

The problem of slavery seventy years ago is hardly analogous to the utility problem of today. But, if it were, it appears rather to illustrate the extreme difficulty of attempting to deal with deeply intrenched institutions by a simple declaration of ethical principle.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER · *Virginia Bureau of Public Administration*

The Technician in English Administration.—The British Science Guild, which was founded in 1905 by Sir Norman Lockyer for the purpose of promoting the application of scientific method and knowledge to social problems and public affairs has published recently one of the most interesting treatises extant on the technician and his place in the public service compared with that in industry.[1]

While the document is concerned almost entirely with the technical officers of the civil service, it sheds considerable light on the problem of recruitment and the personnel problem generally, current tendencies in the discussion of which were reviewed in this section for November last. The report is particularly to be commended because it proceeds with an extremely realistic attitude toward the peculiar difficulties countermanding scientific procedure in public administration. This is to say that the accomplishment of the purposes of public administration are contingent upon an exact and complete knowledge of its problems, which is in turn governed by adequate knowledge of financial restrictions and the various ramifications of any alterations in administrative method in their effect upon other questions. The investigators are convinced that this problem is vastly more complex in public administration than in industry because of the diversity of the public administration problem. It considers the crucial problem of public administration to be that of securing an efficient collaboration on the part of technicians, the financial authorities, and the administrative chiefs, the latter group not being technicians in the strictest sense.

The questions which accrue to the various governmental departments offer naturally a very great variety. It is furthermore not too much to say that a very high proportion of the affairs administered by these departments are not susceptible to resolution from an uncorrectedly administrative point of view. The transformations which have defined the present activities of departments are the result of a gradual evolution. In consequence when the necessity arises for the central administration to perform technical tasks and to obtain officials capable of administering scientifically these functions, the customary method is initially to introduce them only in a consultative capacity.

The category of experts employed in the administration is naturally then recruited from sources composed exclusively of men of sufficient age to possess practical experience as well as considerable theoretical knowledge in their professions. The Bureau of Secondary Instruction in the Ministry of Public Education offers a striking example of this method of recruitment, and at the same time of the difference which exists between the responsibility of administrative functionaries and that of the teaching staff itself, which latter are chosen purely because of their technical knowledge. This distinction between the functions was produced very gradually. In 1904 the minister named, in addition to local inspectors, an inspector-in-chief and four inspectors resident at Whitehall, the ages of whom at the time of their nomination, which is an interesting commentary, varied from thirty-six to forty-eight years. For a period of six years thereafter the administrative functionaries gave their own solution to all the questions which arose, many of which concerned instruction more than administration, entirely without the advice of the inspectors, except when such advice was sought at the option of the administrative officers.

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[1] *Report on the Scientific and Professional Staff in the Public Services and in Industry*, London, 1931.

In 1910 the chief of the department procured a complete reform in procedure by the creation for each service of a consultative committee composed of the inspectors and the director of special inquiries, which was charged with advising upon all non-administrative affairs of public instruction which were brought to light by the inspectors or from any other source.

For delineating further this differentiation in functions the reports on the inspection of schools controlled by the administrative functionaries[1] were sent to the directors of these schools as emanating from the inspectors and not from the central department. The intention of the chief of the department was to apply this differentiation equally in the division of primary inspection and of technical and trade instruction, but alterations in governmental policy as well as other interrupting factors have prevented the completion of the reorganization.

The report treats also of the necessity for expanding the scope of authority of those public employees classified as experts. In England as in the United States public administration has responded to the demand for increased public services, many of which are of a highly technical character. Due to the generally more centralized structure of English government it is probably accurate to say that the central administration has expanded more fully in the provision of services requiring technical training and ability than has its counterpart, the state administration, in the United States. Hence the problem of the technical service is of relatively greater importance in the British central administration than in our own. However, also as in the United States, the multiplication of public services has not always been attended by the provision of a competent technical staff to insure their adequate and economical administration. At the same time the necessity for technical knowledge has forced the expert, even when occupying a statutory position of relatively small authority, actually to assume the major portion of the responsibility for conducting his service. Under these circumstances the expert attached to a department of the state ceases to be only a counselor. Either formally or informally he must have in large degree control of the subordinate personnel, and he must even decide questions of great importance involving the relations of the service with the public. His position is likewise rendered of more significance by virtue of the fact that large sums must be expended under his supervision and upon his responsibility. The simple fact seems to be that the authority of an official is probably determined to a greater extent by the amount of the budget which he is responsible for spending than by statutes and decrees, no matter how liberal.

In recent years the development outlined above has been remarkably accentuated until at the present time a really large number of technicians and scholars are occupied in various sorts of scientific research in administration, particularly in the departments of national defense and the ministry of agriculture and fisheries. This has resulted in a considerable increase in the number of expert functionaries, of which a large proportion occupy naturally subordinate positions. From 1914 to 1924 the number of experts in public service increased 36 per cent, and the programs as outlined by recent budgets indicate a continued tendency in this direction. At the same time a tendency is noticeable to appoint to high places in the service people of proven technical capacity who have indicated proficiency in the less specialized functions of general administration.

The working organization of the central administration differs more between departments than does that of the local authorities. In a number of services the technical directors occupy a position of only relatively small importance in the organization of their department and as a result are completely subordinate to the secretary or the permanent under secretary of the administration and his assistants. But while theoretically the ministers work through their immediate subordinates, it is not unusual to find a technical expert in constant and direct communication with the representative of the government, who ostensibly heads the service.

The report then passes to an examination of methods and practices which affect the liaison between the departmental heads, the technicians, the financial officers, etc. It is pointed out that the affairs of the state demand a relatively highly centralized system which necessitates a voluminous correspondence between the secretariat and the technical service and other divisions of the same ministry. In certain departments only a small proportion of this correspondence goes directly to the chief of the service, the rest passing through the hands of functionaries in the secretariat, who extract therefrom the essential information for the benefit of the minister. In other words, in the normal course of affairs the technical expert does not on his own motion have complete access to, or direct communication with, the minister, although, as noted above, in special instances this result is accomplished by the constancy with which technical advice is sought by political officers and departmental chiefs. When access is not easy and direct, the outcome redounds not only to the detriment of the technician's status but deprives the superior authority of constant advice upon points concerning which he continually must formulate policies. He must also frequently act upon information which is largely meaningless without the intermediary service of expert interpretation.

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[1] For a very complete discussion of these institutions see: H. E. Smith, *Municipal and Local Government Law (England)*, Chapter XI.

It has been sought in a number of instances to remedy this condition without organic rearrangement by occasional committees of inquiry, the work of which is done by trained technicians. This is not satisfactory for the reason that it is not continuing and constant. The method is also very wasteful.

In the matter of recruitment of technicians the same criticism may be made of extant methods as that which appeared in the inquiries of the Royal Commission on Local Government almost a decade ago. As Dr. Robson pointed out at the meeting of the British Institute of Public Administration last summer, the professional associations are seeking very largely to secure a monopoly of appointments to municipal posts, and there is no very clear guarantee that the qualifications which are imposed for membership in the professional organizations bear any real relation to the needs of municipal administration but are primarily designed to insure efficiency in the private practice of the various professions. He further comments on the report of the British Science Guild in the following terms:

> If the report of the British Science Guild declares that technical qualifications are required of superior functionaries, it is not less true that the local authorities have not been able to assure an adequate organization of their staff because the technical qualifications (imposed by the professional organizations) are frequently not *en rapport* with the needs of the service which their representatives direct.

The report is quite definite in its demand for a complete modernization of the administrative system of the public services. The most pressing requirement of the present time in the civil service is a type of administrative organization which is to the highest possible degree analogous to that of modern industrial organization, in which the minister is personally cognizant of the authority and functions of his own office as the supreme chief of the services, administrative, financial, and technical, which compose his ministry. In other words the system of collegial administration common in the English central government must be replaced by a bureaucratic organization—by an actual hierarchy. In a letter published in the London *Times* of October 3, 1929, M. F. Kelloway, former director general of the Post Office, declared that bureaucratic administration in this department had produced remarkably successful results over a considerable period of his administration. After the South African War the British War Office was also partially reorganized along bureaucratic lines which included an order defining the authority of the various service chiefs, as well as the institution of such a modern device as executive control reinforced by an agency of inspection and supervision.

As a general preliminary to any organizational reform the report points out the necessity for a thorough classification of positions and a system of uniform designation. The report is frankly of the opinion that technical agents and directors of research should have their positions founded upon a statute equally definite in its mandate as that under which the administrative officers and others concerned in the operation of the services labor.

It should be noted at the same time that the report of the British Science Guild does not solve the problem of the technical training of the administrative chief. It brings us no nearer the answer to the question, "What is an expert in public administration?"

⁂

Trade Unionism of Officials in Jugoslavia.—Due to extraordinary developments in the professional organization of governmental officials and to the extreme pressure which they have been able to bring to bear both from the standpoint of collective bargaining and influencing legislation in the several European states within the last ten years, the government of Jugoslavia has seen fit to supplement its general statute prescribing the classification and regulating the conduct of personnel selection and regulation in the national government by the following prescriptions governing professional organization of state employees:[1]

The agents of the state can form no professional association without the permission of the minister under whose jurisdiction they are employed.

They can organize such associations and be received as members only among agents of the same branch of the service and among the same class of agents.

Pensioned agents can become members of unions but they cannot become members of the committees of such unions.

Officers dishonorably discharged or who leave the service of the state of their own will cannot remain members of the association.

Agents who change the branch of the service or the group with which they have become affiliated cannot remain members.

This does not apply to agents who are employed by the ministers for the relief of their administration. However, they cannot, in such case, assume any classified office.

There can be only one organization within the state for the same branch of the service or the same class of agents.

The activity of members of the syndicate is subject to regulations designed to preserve the reputation and dignity of officers of the state, and to all other disciplinary measures in so far as the activity of the organization of its members touches the conditions of service or state of the service.

Professional unions of agents of the state are under the supervision of the minister in charge of the service, to whom they are required to submit annual reports concerning their activities.

Any group action of several organizations must be specially approved by the minister in charge.

Disciplinary action is brought against any agent of the state who fails to observe these regulations.

If there is agitation in the union in violation of the above regulations, their board of administration or directorate is dissolved by the minister in charge with the approval of the Minister of the Interior. In its place a commissioner is named who will have the right to exercise all the functions of the board of administration or directorate until such time as the activities of the organization shall have been brought into complete harmony with the legal regulations. In serious cases, organizations in which there is agitation in contravention of the preceding regulations can be dissolved by the decision of the minister in charge.

The foregoing regulations do not apply to employee coöperatives nor to associations of coöperatives.

Within three months after this law goes into effect all existing organizations must comply with the regulations and submit a report to the minister in charge. All societies which have not complied with these regulations will be dissolved in the three following months.

Hazel M. Skelhorne.
Secretary, Bureau of Public Administration,
University of Virginia.

*

A Correction from Whitehall.—Mr. G. Montagu Harris, of the British Ministry of Health, has very kindly corrected certain statements attributed to him in the report of the summer conference of the British Institute of Public Administration, appearing in this section for November last.

It was stated that Mr. Harris indicated skepticism regarding the results of research in public administration in the United States. It appears that what Mr. Harris actually said, as reported by the September *Monthly Notes* of the Institute of Public Administration, was this:

> Could the U. S. A. show evidence of actual benefit to the community?

It seems that what the editor of this department took, in view of the context, to be perfectly exquisite sarcasm is simply the habitual British way of phrasing a question.

Concerning the remarks of Mr. Harris relating to local government and public administration journals in the United States, the error is due to the following sentence in the Institute Notes:

> He went on to draw attention to the difference between service journals in the United States and ours which printed no articles on the theory of public administration.

Mr. Harris states he was talking about English and German journals.

Mr. Harris went on to say that he should not like to be considered as having belittled in any way the work of the National Municipal League.

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[1] This is summarized from the *Informations Sociales*, of the International Labor Bureau, of August 3, 1931.

NOTES AND EVENTS

P. R. in Hamilton.—In Hamilton, an industrial town of 50,000 twenty-five miles north of Cincinnati which also has the manager plan and P. R., the non-political "charter" group captured five council places out of seven at the last election as it did two years ago. The political machine which formerly controlled the city lost its majority in council at the first P. R. election four years ago and after two years of the new régime was unable even to muster the seventh of the votes which under P. R. would have given it one place out of seven. This year it did not even nominate candidates. The two members elected without the Charter group's endorsement were former councilmen reëlected as independents. In four years City Manager Price has reduced electric rates four times and gas rates once in addition to paying off a $150,000 debt against the municipal gas distributing system.

George H. Hallett, Jr.

✠

Boston Agitates for Re-assessment of Real Estate.—One of the major problems facing Boston in 1932 is that of the assessment of real estate for taxation. A growing protest against the inequality caused by the present antiquated system has become so great that only installation of a new system and complete re-valuation seem sufficiently drastic to cope with the situation.

The decline of real estate values particularly in the downtown region, increases in city expenditures and tax rates, the current depression, and the repression of tax appeals by the Curley administration in 1930, have accentuated the defects in the present system and have further aroused the taxpaying public against the present valuations.

A simple, effective, and inexpensive method for tax appeals has been set up in the formation of the State Board of Tax Appeals. Now that court delays and expenses are no longer necessary in the appeals, the matter is brought to a climax. Further delay in equalizing assessments may result in a general rush of taxpayers to the appeals board.

Re-assessment has been offered as the solution of the problem at different times by the Boston Real Estate Exchange, the Boston Chamber of Commerce, the Finance Commission, and the Good Government Association. All other methods of staving off appeals having failed, the administration has finally promised a complete revaluation.

Much of the success or failure of future city financing depends on the sincerity, speed, and thoroughness with which that promise is fulfilled.

✠

Mayor Coxey's Plan for a Municipal Currency.—"General" Jacob S. Coxey, of Coxey's Army fame, became mayor of Massillon, Ohio, January 1. The seventy-seven-year-old mayor takes the helm with many financial problems facing the city. The 1932 budget will leave a deficit of $83,000 even after a 20 per cent cut in salaries and the assessment of street lighting against the property owner according to the foot frontage of his property. Otherwise the deficit would have been about $149,000. The city also has unpaid water and light bills to the amount of $78,763.77; bills that have accumulated in the past few years.

Nevertheless, "General" Coxey stepped into office determined to carry out the platform of his "poor man's" campaign which gave him one of the largest majorities in the history of Massillon politics. The main plank of his platform was the issuance of $200,000 worth of twenty-five-year bonds, bearing one-tenth of one per cent interest, in denominations of twenty-five cents to ten dollars to pay for public improvements and furnish employment. These bonds are to be used as a medium of exchange in local stores and the city treasury is to act as the clearing house, redeeming any demands made against the script. The other important plank in his platform was municipal ownership of the local utilities. At the present time the Ohio Water Service Company furnishes the city with water.

Now that Coxey is in office there are some serious obstacles to be overcome before he can carry out his plans. In the first place there is considerable doubt as to the legality of bonds of the character he proposes. If the legality of the bonds is granted, it is somewhat doubtful if the city council will pass the necessary legislation to issue them. This was the opinion of the chairman of the finance committee of the old council who will be a member of the new council. Furthermore, should the council pass the ordinance for the issuance of the bonds, it would be necessary to submit the proposition to a vote of the people. And, although the people gave Coxey a large majority, there is some question whether they would support the bond issue. It is maintained by some that he was elected by a protest vote and not by those who really believed in his bond program.

It goes without saying that the bankers of Massillon are opposed to the program and are of the opinion that if it should be adopted it would fail in operation. The banks would not and could not handle the bonds, and it is difficult to see how the city treasury would be able to meet all demands made against the script and thus keep it in circulation.

The business man and the common man on the street have varying opinions. The few business men interviewed are rather skeptical about the proposition. Some of the people feel that Coxey "knows what he is talking about." But the consensus of opinion as Coxey takes office is that very likely nothing will come of the "General's" main campaign plank. Though in office after forty years of effort in behalf of his dream of cheap money he still has many obstacles to surmount before he can put his plan into operation. The next few months will determine whether he can make his dream a reality.

Roy V. Sherman.

*

Unrest in County Government in Virginia.—The Virginia Commission on County Government has made a notable report.[1]

A hard-boiled Virginia legislator, who keeps his ear to the lobbies as well as to the ground, remarked that it would probably have more influence outside of the state of Virginia than in it. Favoring every word in the report, he saw it as a counsel of perfection, doomed to defeat, or at the best modification, when the powerful lobby of the county officials once launched into action.

The comment might be regarded as the finest tribute that could have been paid the commission on county government which spent weary months in drafting a clear-cut document, for it demonstrated beyond question that the commission had compromised little within its own ranks and had put principle above expediency. This is all the more remarkable when it is considered that the commission, while headed by Dean Robert H. Tucker of Washington and Lee University, was controlled by a majority of "practical" men, two of whom are at present active county officials.

Virginia is unique in the completeness with which its county officials are organized into professional associations. It is freely admitted in Richmond that any legislation which the organizations of county clerks and county treasurers oppose vigorously has little chance of passage. Hardy and scarce is the legislator who can unflinchingly face an avalanche of telegrams sent simultaneously from all parts of the state from influential sources. This time, however, the politician who forecasts defeat of the measures advocated by the commission may be forgetting the pressure which will be put upon the 1932 legislature to reduce taxes. Cutting costs of government is one way in which this may be done, and one way of cutting costs is to improve the efficiency with which the governmental services are administered. All the recommendations of the report lean toward this latter aim, for the commission frankly admits that the chance to maintain a strong local governmental organization in line with Virginia tradition depends upon increasing the efficiency of the county governments.

The commission proposes two optional forms of county government: (1) A county executive form, which is sufficiently flexible to be adapted to the needs of any county in the state; (2) a county manager form, which is particularly recommended for counties with urban conditions and larger rural counties. Draft legislation also makes provision for the voluntary coöperation of adjoining counties or of counties and towns in the establishment of larger areas for the administration of roads, health, welfare and other public functions. In addition, certain independent measures are designed to correct existing administrative defects and to set up types of procedure needed by every county, regardless of the particular form of its organization.

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[1] Report of the Commission on County Government to the General Assembly of Virginia, December, 1931. Senate Document No. 3. Richmond. 112 pp.

In the optional forms of government which it has set up, the commission clearly recognizes the managerial principle as essential to vigorous local administration. The county executive form is an interesting addition to the samples on the local governmental shelf, and will probably be copied in other states where a variation from the stiff framework of the manager plan is desired. This form, while recognizing the necessity for centralization of responsibility, makes a bow to local sentiment in giving the board the power to appoint upon recommendation of the executive all officers and employees in the administrative service of the county, except the county clerk and the commonwealth's attorney, who are left out for good and sufficient reasons.

Such irreconcilables as Wylie Kilpatrick, whose comprehensive book on Virginia county government must have been of great assistance to the commission, will of course criticize the report on the ground that in the optional forms recommended the commission has proivded no real alternatives, that the principle of the two plans is the same. Probably majority opinion will agree with the writer, however, that the commission, in taking a firm stand as to the necessity for a clear cut centralization of responsibility has followed the only course possible if Virginia counties are to avoid the fate of their neighbors in North Carolina. Even so, if the Virginia farmer ever finds that he can exchange his home rule for a huge slice off the present rates of taxation on land, he will probably sell out in a hurry. After all, he can't spend home rule at the village store.

Howard P. Jones.

*

County Taxes Lowered in North Carolina.—North Carolina's new local government act establishing stricter fiscal control over localities and the assumption by the state of responsibility for county highways and the six months' school term brought material reduction in county taxes and improved financial administration in 1931, according to a statement of the state tax commission.

The 1931 tax rates for 83 counties, released by the state tax commission, show a straight average county-wide rate of $1.39 in 1930 reduced in 1931 to $1.06.

The average assessed valuation for 40 counties, for which figures are available, was reduced 4 per cent. Therefore, if the 1931 rates had been levied on 1930 values, which would show the correct actual comparison of the 1930 and 1931 rates, the present average rate would be four cents lower, or $1.02 instead of $1.06. The average reduction in rate from 1930 to 1931 based on the same valuation each year is, therefore, 37 cents for the 83 counties.

The average reduction for the six months' school is 33 cents. The reduction for current operation of the six months' term is 34 cents. The reduction for capital outlay is two cents, and the increase for school debt service is three cents.

The gross average reduction in rate for maintenance of county roads is 21 cents. That is to say, the straight average levy for county roads last year was 21 cents. This year there is no property tax for road maintenance.

The levy for the county general fund was decreased one-half of one cent. The levy for the poor was increased two cents. County debt service for general county purposes and roads shows an increase of 16 cents. There were small increases in other county levies for special purposes.

Since the 21-cent reduction in the levy for roads was offset by the 16-cent increase in the levy for debt service, and the small increase in the levies for the poor and for miscellaneous purposes, there has been no net reduction in the total county levies for purposes other than schools, except the reduction resulting from the levy this year being made on a smaller assessed valuation.

In appraising the county tax reduction effectuated by the 1931 general assembly we find a straight average reduction of 35 cents for the current operation of the six months' school term, and 21 cents for county road maintenance, an increase of three cents for school debt service, 16 cents for county debt service—making a total of a 19-cent increase in the total levy by counties for debt service, that is, for bond repayment and interest, and an increase of about three cents for miscellaneous county levies. The average net reduction in the total county-wide levy for all purposes in the 83 counties, including the increases for debt service, remains at 33 cents on the 1931 valuation. It would be 38 cents if the 1931 valuation had not been reduced below the 1930 valuation.

In connection with the county increase of 16 cents in the county debt service levy, the public should understand that this levy was automatically increased 9 cents last year when the counties exchanged state aid from the one cent levy on gasoline for the complete state maintenance of their roads. In other words, in 1930 the state paid on county debt service for roads the equivalent of a 9-cent county-wide levy.

There are two other important reasons why the counties increase their rates for debt service. In the first place, in 1931 they reached the peak of county debt service requirements. More county bonds matured that year than matured in 1929 or 1930. In the second place, the substantial reduction in property taxes for schools and roads effectuated by the general assembly decreased the total tax rate so materially that the counties levied in 1931 for the first time a tax rate for debt service sufficient, if collected, actually to pay all debt service requirements for the year. The counties last year levied a sufficient rate to meet their actual debt service needs. In the past they have not done this. In the past they have relied on refunding a substantial part of their bonds as they matured.

Every single county reporting shows a decrease under the rate levied in 1930, with the exception of Brunswick whose rate shows no change. This was the first year since 1920 that no county has increased its county rate.

The county-wide rate for the six months' school term shows a decrease in every county—the decrease ranging from one cent in Chowan to 80 cents in Currituck.

The decrease in the levy for roads ranged from 40 cents in Sampson all the way down to nothing in counties supporting road maintenance under the township system. Of course, the decrease in the taxpayers' burden in the counties operating under township maintenance is just as substantial as in counties operating under the county-wide system. They get their reduction in township taxes rather than in county taxes.

⁂

North Carolina's New Department of Personnel.—The department of personnel, established in the governor's office by the 1931 general assembly, was the outgrowth of sentiment in the legislature to further increase the efficiency and economy of state government. The first step made in this direction was the passage of the act of 1925, creating the salary and wage commission, which remained in effect until supplanted by the present personnel act.

The department of personnel is under the supervision of a director of personnel, who is charged with the duty of making a survey and investigation of the needs for personal service in all state departments and bureaus and of the cost in value of the services rendered by all subordinates and employees of such departments and bureaus, and upon his findings, together with the head of the various departments, etc., to fix, determine and classify the subordinates and employees in the various departments and with the approval of the advisory budget commission fix, establish and classify a standard of salaries and wages between fixed minimums and maximums, as may be deemed necessary and equitable. In the event of a disagreement between the director of personnel and the head of any department the matters in dispute are heard by the advisory budget commission, whose finding shall be final.

It is obvious, therefore, that the scope of personnel administration to be administered by the director of personnel includes such problems as the approval and certification of employees, classification of positions, specification of duties and requirements, compensation, promotion, transfers, working conditions, regulation of leaves of absence and the approval of all payrolls of the various state departments and bureaus.

The problems thus enumerated involve an intimate knowledge of the duties and requirements of the various positions in the state service, for which the director must list qualified eligibles. In addition to this the director must necessarily keep informed on the labor market in the state, the source of fit labor, prevailing salaries and wages and the type of work done in other organizations from which the applicants come. He must know the best scientific methods of evaluating education and experience, the technique of the personal interview and the problems involved in the evaluation of character references, political recommendations and many others. He must develop and administer an economical and effective procedure that will reduce the handling of such matters to such flexible routine as can be safely carried on by his assistants. At present the director is consuming much time in collecting all of the latest information and experience possible in personnel work and is making a detailed survey and study of all the departments of state government.

The undertakings and plans of the department are to discover or devise some effective method or system for the performance rating of employees; and, to equalize the salaries, wages and ranges of compensation of all employees in the state service on the principle that like salaries shall be paid for like duties, close coöperation in this to be maintained with the budget bureau in order that salary allowances shall fall within the departmental appropriation as budgeted.

No attempt has been made to fix an arbitrary system of promotion or of recognition and determination of merit by law. It was felt that this was an administrative matter which could be worked out more satisfactorily by the director of personnel and the various department heads. These heads hire the employees of their respective departments; the employees, however, must obtain a certificate of capacity from the personnel department.

The new act is not as broad as the old salary and wage commission act of 1925, which included state institutions as well as departments, under its regulation. The present act applies only to departments, and is in the nature of an attempt to "feel" the way towards an improvement of personnel standards. The North Carolina attitude apparently does not desire to establish a semi-political bureaucracy such as many people feel the United States civil service has become, with much inertness and "red tape" receiving the protection of statute law. It is felt that after all the political power of public employees will be exercised whether they are called civil service employees or not.

W. D. Harris.

⁂

Louisville Property Owners Association Recommends Expenditure Decrease.—After two months of study, the Louisville Property Owners Association, on December 9, submitted to Mayor Harrison and the board of aldermen recommendations asking curtailment of city spending to the amount of $1,537,361. Membership in the association consists of men of property and influence.

In submitting its recommendations the association cited the increase in per capita expenditure by the city from $12.80 in 1913 to over $31.00 in 1930. The recommendations included: (1) no appropriation for the sinking fund in 1932, (2) 10 per cent reduction in salaries in the various departments, (3) 10 to 20 per cent decrease in materials and supplies purchased, (4) no new appropriation for reconstruction of streets in 1932, (5) lowering of street lighting costs, (6) reduction in the appropriations (salary cuts in particular) for the Children's Home, Tuberculosis Hospital, City Hospital and Municipal Auditorium, (7) economy in the administration of public schools and the University of Louisville, (8) remedy for the lag of five to six months in obtaining franchise taxes from the state tax commission, and (9) reductions in particular services such as in the office of building inspector, city engineer and park administration.

Under the association's plan the budget would be approximately $7,734,000. The bulk of the reduction would come from the failure to appropriate for the sinking fund and from the cut in salaries and materials purchased.

Mayor Harrison promptly replied to the association and promised careful consideration of the recommendations, at the same time pointing out that since 1913 there had been a 51 per cent increase in corporate area, that increased expenditure was the result of additional public service, that the city had already curtailed expenditures, that expenditures for the last three months had shown decreases of $74,000, $43,000 and $72,000 respectively as compared to 1930.

The association replied that it was disappointed "because your letter did not indicate in any way your position with respect to our suggested reduction in city taxes." To this the mayor replied that he could not make a statement as to specific details until the assessed valuation was known and until budget hearings were held. He also added, "The somewhat peremptory tone of your letter causes me to fear that what began as a coöperative movement may result in critical disagreement. I trust this will not occur."

The decrease in assessed valuation has been set at approximately $34,000,000; equivalent to about 11 cents per $100 on the tax rate. The city officials will need to reduce expenditures about $450,000 to avoid an actual increase in the tax rate. The budget was cut in 1931 due to a 10 per cent reduction in available funds and the expenditure of about $178,000 for unemployment relief. It does not seem probable that the property owners will be able to effect any considerable decrease in the tax rate.

K. P. Vinsel.

University of Louisville.

Zoning a New Hampshire Village.—Hanover, New Hampshire, the home of Dartmouth College, adopted a comprehensive zoning ordinance on May 20, 1931. This is the first New Hampshire town or village to take this progressive step. Zoning adoption in a New Hampshire town has interesting peculiarities and difficulties all its own. By the time the preliminary zoning report, the final zoning report, and the proposed zoning ordinance have been voted on and accepted by the electorate at three separate meetings held a month apart (a requirement of the New Hampshire enabling act applicable to towns and village precincts), zoning has become quite a personal affair. Where the average American municipality refers the matter of zoning to the council for adoption, in Hanover, the body of voters discuss, advise, and amend at various stages. Let it be further remembered that zoning, along with the town manager plan and the boulevard stop sign are likely to call into being an opposition characteristic of small town New England conservatism.

The agitation for some restriction appeared soon after residential sections had been spoiled by an unsightly garage, a dance hall and a miniature golf course. Support by the village commissioners and Dartmouth College administration led to the election of a zoning commission at the voters' meeting of March, 1930. The personnel of this commission consisted of a prominent architect, a member of the Political Science Department of Dartmouth College, the director of the personnel office of the college, the superintendent of grounds and buildings of the college, and the manager of the local theater. The college was slightly over represented, although this was hardly a disadvantage since the "town and gown" coöperate very closely in Hanover.

Since there are no industries in Hanover the problem was simplified. The village was divided into four districts: a very restricted residential, general residential, business, and educational. Heights, set-backs, etc., were provided.

A tentative ordinance having been drawn, the commission was faced with the major problem of selling zoning to the people. Explanations were made before local clubs and organizations. Suggestions were solicited and people were given to understand that they were participating in the drawing up of the final plan. Finally a series of public hearings were advertised, although poorly attended. Things seemed to be favorable until certain factions developed in opposition to restricting the number of roomers in any section of the town. Rumors were started that a family with over three members would be compelled to leave the restricted residential district, and that the whole plan was a restriction on personal liberty.

The commission met the opposition at the meeting called to accept the preliminary report by proposing that people living in the so-called restricted residential districts should vote in a postcard ballot for the extent of any restriction. This was carried. Over two thirds of the ballots were returned, and most of these favored placing the restriction at four lodgers. Thus the question was settled.

Encouraged by the general results of the meeting and the mail ballot, the commission felt the time had come to call in a zoning consultant. In the two meetings held with the consultant the ordinance was redrafted, although few ideas were changed.

A month after the first voters' meeting a second was held to consider acceptance of the final report. The attendance was small. Serious opposition failed to develop and the final report was adopted. Finally another meeting was held and the ordinance was adopted. This time most of the voters turned out and showed their interest.

The action of Hanover will doubtless inspire other New Hampshire towns and villages to follow in zoning. Already two towns are engaged in preliminary surveys.

Milton V. Smith.

Dartmouth College.

*

Austin's Happy Situation under Manager Government.—Notwithstanding the depression that has plunged so many municipalities, as well as our state and national governments, into financial chaos, the government of Austin, Texas, closed the year 1931 in splendid condition with a cash balance in all of its funds and no debts of any character other than its bonded indebtedness, according to reports from responsible sources. All of this was accomplished with the lowest tax rate and the lowest taxable valuation of any city of comparable size in Texas.

Austin ended its last fiscal year with the best record in its history. When other cities are faced with the necessity of making drastic reductions in expenditures to cut down mounting deficits, Austin is confronted with no such problem.

This fortunate state of affairs is due to the rigid economy in vogue ever since the council-manager form of government was established in 1926. Since that year the municipality has kept safely within its revenues.

There has been no need for salary cuts in Austin, nor has it been necessary to reduce city forces and thus add to the ranks of the unemployed. On the contrary, the city assumed the burden of taking care of its unemployed citizens. Beginning December 1, a system of three crews a week, each crew consisting of sixty men, was instituted by the administration, thus giving jobs of two days a week in water line extensions and sanitary sewer work. This assistance to the unemployed by the city has been limited to citizens of Austin who have resided in the city for at least one year, and in this way 180 men were enabled to earn $6.00 for two days' work in each week, which has materially helped provide a subsistence for every able-bodied unemployed man who registered with the unemployment bureau instituted by the city.

The assessed valuation for the year 1930 (these taxes were collected during 1931) was $52,802,845, and the total tax rate, including schools, was $2.25 on each $100 of valuation, apportioned as follows: $1.00 general revenue; $.60 schools; and $.65 interest and sinking fund. There are no special levies outside these funds. A total of 92.97 per cent of the net tax roll was collected during the fiscal year without the filing of a single suit or the use of any coercive methods whatsoever.

With a bonded indebtedness of $6,279,250, bonds to the amount of $166,500 were retired and interest paid totaling $283,046.25. Besides these expenditures, the city invested out of its surplus $102,000 in its own securities.

In addition to the scheduled improvements provided for in the bond issue of $4,225,000 voted for a five-year period in 1928, an intensive development program was carried on throughout the year and financed out of the regular revenues of the city. The electric power rate was cut to provide a saving of over $55,000 to consumers; $190,000 was spent in rehabilitating the distribution system in connection with the municipally owned electric plant; $150,000 was spent on the water system; and there remains an unincumbered cash balance on hand.

This is an enormous improvement over the conditions that prevailed prior to the change from the commission form of government to the council-manager form of government. Under the old commission administration the municipality lumbered along under the burdens of a perpetual overdraft at the bank, the absence of any extensions of water mains, light lines, and sewerage system to meet the increasing demands of a growing city, and a general lack of efficiency in the conduct of all the departments.

Since the council-manager form of government took charge, the city has operated on a strictly cash basis without borrowing money or purchasing supplies on credit. All bills have been promptly paid and discounts taken advantage of, and a substantial rate of interest has been received on daily balances. The fire insurance key rate has been reduced from 28 cents to 17 cents, and a maximum good credit rate of 15 cents is being given.

⁂

Cleveland's Mayoralty Election.—The winning candidates in the Cleveland mayoralty primary of January 12 were Daniel E. Morgan, ex-city manager and a Republican, and Ray T. Miller, county prosecutor and a Democrat. Peter Witt, an ex-city councilman of national fame as a liberal, ran as an independent candidate but was defeated. The contest between Morgan and Miller will be decided in the election on February 16. It had been expected that Mr. Witt would receive heavy support in the primary from Democratic voters and would probably be Mr. Morgan's opponent in the election. However, Newton D. Baker threw his strong local influence to Miller, the regular Democratic nominee, and undoubtedly contributed to Miller's nomination. Mr. Miller is the county prosecutor who, a few days before the election on the abandonment of the manager plan, permitted the release of grand jury testimony throwing suspicions upon members of the police department with no opportunity for rebutting evidence. This improper leak from the grand jury room aroused suspicions which the denials of the chief of police could not overcome and undoubtedly was a factor in the adverse vote accorded the manager plan.

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CONTENTS FOR MARCH

EDITORIAL COMMENT . . . . *H. W. Dodds* 139
HEADLINES . . . . *Howard P. Jones* 143
THE SEABURY REVUE OF 1932 . . . . *Howard P. Jones* 145
THE MUNICIPAL BOND MARKET—PAST, PRESENT AND FUTURE *Sanders Shanks, Jr.* 148
THE SURPLUS THAT MADE MILWAUKEE FAMOUS . . . . . *Paula Lynagh* 152
SHANGHAI'S INTERNATIONAL MUNICIPAL GOVERNMENT *Harold E. Jones* 157
PASADENA USES THE RECALL . . . . *William B. Munro* 161
STORM WARNINGS IN NEW YORK CITY'S FINANCES *Joseph D. McGoldrick* 168
WHAT MUNICIPAL HOME RULE MEANS TODAY
  III. Michigan . . . . *Arthur W. Bromage* 176

DEPARTMENTS

I. Recent Books Reviewed 183
II. Judicial Decisions . . . . *Edited by C. W. Tooke* 188
III. Public Utilities . . . . *Edited by John Bauer* 194
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 198
V. Notes and Events . . . . *Edited by H. W. Dodds* 202

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THE LEAGUE'S BUSINESS

New York City Hears About Cincinnati's Achievements.—The New York Committee of One Thousand, headed by Dr. William Jay Schieffelin, is holding a series of meetings at the Town Hall for the purpose of acquainting New Yorkers with the achievements of Cincinnati under the city manager plan. The first meeting in this series was held on January 15 with Henry Bentley, president of the Cincinnati City Charter Committee, as the speaker. On February 8, Charles P. Taft, 2nd, spoke on "The Redemption of Cincinnati from Partisan Rule," and Mr. Taft's address was broadcast over WOR. On March 18, the Hon. Russell Wilson, Mayor of Cincinnati, will speak at the Town Hall on "The City Manager Plan."

⁂

Additional Members for Committee on Model Special Assessments Law.—On this page last month was printed the personnel of our Committee on Model Special Assessments Law which had been appointed by President Seasongood. Chester B. Masslich, of Masslich and Mitchell, has since been added to the committee. Mr. Masslich assisted in the drafting of the recommended special assessments law recently adopted by the Investment Bankers Association of America and the U. S. Chamber of Commerce. The American Planning Institute, at our request, has appointed Herbert S. Swan, of New York City, as its representative on this committee.

⁂

League Represented at Anti-Hoarding Conference.—Harold S. Buttenheim, editor of *The American City* and member of our executive committee, represented the National Municipal League at President Hoover's Conference against hoarding on Saturday, February 6, at the White House. Since the conference, Mr. Buttenheim has been asked to serve on the advisory committee of the Citizens' Reconstruction Organization by Colonel Frank Knox, publisher of the *Chicago Daily News*, who is heading the movement.

⁂

Revision of Model City Charter.—As announced on this page in January, a meeting of the Committee on New Municipal Program was held at Princeton, N. J., on January 15, 16 and 17, at which time five representatives of the International City Managers' Association aided in considering the revision of the *Model City Charter*. The following members of our committee were present: M. N. Baker, John Bauer, Emmett L. Bennett, A. E. Buck, Richard S. Childs, H. W. Dodds, John N. Edy, John A. Fairlie, Mayo Fesler, A. R. Hatton and Thomas H. Reed. The following were also present by invitation: Louis Brownlow, Charles A. Carran, W. F. Day, Howard P. Jones, J. M. Leonard, C. E. Ridley, R. W. Rigsby and Stephen B. Story.

By action of the executive committee the following four city managers have now been added to our Committee on New Municipal Program: Charles A. Carran, East Cleveland, Ohio; W. F. Day, Staunton, Va.; R. W. Rigsby, Asheville, N. C.; and Stephen B. Story, Rochester, N. Y.

It is expected that the new edition of the *Model City Charter* will be issued sometime during the current year.

RUSSELL FORBES, *Secretary*

Editorial Comment
March

NATIONAL MUNICIPAL REVIEW

Vol. XXI, No. 3 Total No. 189

The following extract from a letter from Mayor J. Fulmer Bright of Richmond, Virginia, is news these days:

> Richmond is operating well within its revenues and shows a cash balance of $192,757.94 for the fiscal year beginning February 1, 1932. There will be no increase in real estate or other taxes in 1932. In fact, in 1931 we allowed a marked decrease in the tax on machinery. There will be no decrease in salaries or wages. Unemployment and relief funds are derived from current revenues and there will be no borrowing, floating debt or bond issue to care for these needs. While the city of Richmond is fully sharing in the burden of depression, we are sailing on an even keel and all is well with us.

*

"Work relief is still relief; and it requires no laboring of the point to state that all relief-giving involves the determination of need. This is within the peculiar province of social work; and the ordinary procedure of an employment agency does not suffice. There is ample evidence . . . that when skilled and experienced social workers have been busy at the source of applications, the selection of workers has gained greatly in effectiveness." (From forthcoming book "Setting Up a Program of Work Relief" by Joanna C. Colcord.)

A Good By-product of a Nervous Municipal Bond Market Students of municipal administration who read Mr. Shanks' article on the municipal bond market can be pardoned if they emit several "I-told-you-so's" as they go along. Formerly the bond customers' only query was, are these municipals legal? Now, writes Mr. Shanks, they are asking questions which a year ago many bond specialists would not have been able to understand, let alone answer intelligently. Today the buyer wants to know the city's tax collection record, its budget deficits, future needs, and steps being taken to reduce operating expenses.

For years bureaus of municipal research and taxpayers' organizations have been voices crying in the wilderness. They stressed the importance of accrual accounting, cost accounting, balanced budgets, carefully planned borrowing programs, equitable assessments, improved tax collection methods, administrative economies. But Demos was on a joy-ride and couldn't be annoyed by such dull matters. And anyway the city council could always levy heavier taxes if worst came to worst.

Today a new ally of reform has appeared in the inquiring bond buyer. He is a welcome addition to the forces which have been urging businesslike financial methods upon public officials.

⁂

N. M. L. Charged with Traitorous Propaganda to Install Imperialistic Government

Students of city government are aware that within a short time after the introduction of the manager plan in a particular city a backfire develops in the shape of an effort to change the charter or to recall the council. Politicians forced out of city hall by the new government watch their chance and seize the first likely opportunity to begin a counter-revolution.

One is on now in Dallas. It is an attempt to recall the council "individually and collectively." At this writing it is not known whether sufficient signatures can be secured to order an election. The petition recites a long list of grievances. Paragraph No. 4 deals with the National Municipal League and we think we owe it to our readers to reprint it here for their information and guidance:

> Because the said Councilmen, and each of them, and their appointee the said City Manager Edy, are operating the affairs of the City of Dallas under direct instructions and policies emanating from a trust-controlled organization known as the National Municipal League, with headquarters at 261 Broadway, New York City; and which said "League" was organized, is financed and controlled by Wall Street trusts, and is purposed to inveigle the people of the towns and cities of the United States, by falsehoods and traitorous propaganda, into installing this corporate, imperialistic "City Manager" system, or "King's Agent" government, in all the towns and cities of the country.

That we are financed and controlled by Wall Street trusts will be news to our treasurer, Mr. Carl H. Pforzheimer, who for several years has contributed from his own pocket to help meet our ever-healthy deficit.

Milwaukee's Famous Surplus

In this number Paula Lynagh dissects Milwaukee's claim to fame by reason of a "$4,000,000 surplus in the bank," news of which has spread far and wide. She points out that while the city has some cash on hand, it is not properly to be termed a surplus, consisting as it does mostly of unspent bond monies.

She proceeds further to analyze Milwaukee's debt situation and the circumstances which put the city upon a partial pay-as-you-go basis. She states that the city debt alone does not tell the story but that the county debt and the sewerage debt must be considered since 80 per cent of the latter two obligations will be retired by city taxpayers.

We agree that Milwaukee officials would be dealing more honestly with the public at large if the sewerage debt were included in the statements of city finances. They may be pardoned, however, for their failure to include county debt. Most of our cities are in counties and help to contribute to county costs, but city financial statements usually do not consider them since city officials have no control over them.

Mrs. Lynagh's article is devoted to the debt situation. She believes that on the whole Milwaukee is well governed. Her analysis does not disparage the real financial accomplishments of Milwaukee as set forth by Mayor Hoan in our February issue, but it does turn needed light upon certain exaggerated and fanciful claims to financial affluence in these hard times.

⁂

Municipal Government in the Nation's Service

In a radio address over Station WLW, Mr. Murray Seasongood, speaking as president of the National Municipal League and former mayor of Cincinnati, said:

This is a most opportune time to further good city government in our country. Some one said recently, when new methods of taxation were being discussed, "What we need in these times of stress and depression is not a tax on checks, but a check on taxes." It is time to save and saving in government counts just as much as saving in business. . . . More than fifty per cent of the taxes collected in the United States are raised for local administration, as contrasted with state and national government. Local taxes exceed the sum of the taxes collected for state and national purposes. Why not save by good government where it will count the most?

There has been a mistaken emphasis on the place of municipal government in our national political structure. It is not the least important, but the most vital of our branches of government. State and national government touch more people than the government of the ordinary city, but city government is closer to their lives and means more, as it concerns their health, safety, happiness and well-being every day and every moment. The erroneous prevalent idea that it is a promotion to go from city to state or national office must be dispelled. There is nothing more essential than good city government and there is no more patriotic duty in time of peace than to have a share in it, whether as official or citizen.

Mr. Seasongood is right, and the fundamental doctrine of the National Municipal League has never been better expressed. Among that group of highly respectable citizens assembled in Philadelphia in 1894 to organize the National Municipal League, Wendell Phillipp's prophesy was accepted as a self-evident truth. "Our great cities," said he, "will test our free institutions more severely than our struggle with human slavery."

Obviously the community which cannot keep its own house in order has nothing to contribute to the security of the nation. But national issues are generally more dramatic. There are exceptions, of course, and the last election in Cincinnati was one of them. In it municipal issues far outshadowed the congressional election, although the latter was supposed to determine whether the Republicans or the Democrats would control the House of Representatives.

By and large, however, local questions are hum-drum because they are so familiar. Distance lends enchantment. And yet the individual's influence in national affairs is infinitesimal to what he can accomplish in his own community. Nowhere can he become an effective force so easily as in the field of his own municipal government.

Fortunately, there are indications that public attention is turning from exclusive absorption in national and international affairs to an active interest in local government.

In common with all forces interested in good government the National Municipal League mourns the passing of Julius Rosenwald. For years he had been a regular contributor to our organization, as to scores of others working for society's betterment. The Rosenwald Foundation, which has blazed new trails in many fields, continues as a graphic expression of his personality and as a memorial which is recognized as unique in American experience. Mr. Rosenwald's peculiar influence did not arise from great wealth alone. It was due to wealth coupled with extraordinary insight and independent judgment. While business success added to his influence in civic affairs, he will live in memory as an indefatigable campaigner for decent politics and social reform.

Real Estate Boards Survey Local Finances

Professor Simeon E. Leland of the University of Chicago has recently completed an eighteen months' survey of state and local finance on behalf of the National Association of Real Estate Boards. His fiscal reform program of thirty-one points, as announced by the Association, while generally acceptable, carries some debatable recommendations.

Professor Leland rightly emphasizes the need for improved accounting systems to govern the expenditure of the vast sums of public money. Most governments, he declares, prepare no budgets. Special assessments against real property are most unfairly employed. Townships should be abolished and only one layer of local government should function in a single area.

As might be expected in a report to real estate boards, the over-taxation of real property is emphasized and an income tax is recommended. The time has passed when the general property tax should serve as the sole elastic element in a tax system. With this most REVIEW readers will agree.

Another recommendation calls for the transfer to the state government of complete responsibility for financing educational, charitable, health and similar purposes to the extent that the benefits of such functions do not accrue particularly to property owners as such.

It is true that real estate is carrying too heavy a burden. While realtors and many home owners have only begun to feel the pressure, the plight of the farmer has been serious for many years. If the city and country unite in a program of real estate relief something may be accomplished. The income tax is found now in twenty states. It has been officially recommended in many others. We can expect its rapid spread.

With the adoption of the income tax, and other taxes resting on a state-wide basis, the question of state aid to a locality, or in lieu thereof, the transfer of activities, at present local, to the state appears in aggravated form. The report of the New Jersey Commission on Municipal Taxation and Expenditures accepts the transfer idea as against state aid. But each proposal to merge local activities in state administrative hands must be carefully examined. There is no universal rule which can be safely followed. The present depression has taken a good bit of the magic out of the word "merger"; we know that many business mergers have been unprofitable from the economic and public standpoint.

Professor Leland recommends the allotment system of expenditures for all governmental units under accounting control to prevent unauthorized expenditures or expenditures in excess of appropriations. Periodic audits of local governments by state authority and the publication of information as to the financial status and operation of local governments are proposed. No benefit assessments for the repair or maintenance of streets should be tolerated; special assessments for municipal services should be abolished and the construction of streets, curbs and gutters in developed municipalities should be financed from general revenues.

Professor Leland has accepted most of the recommendations for economy and efficiency in public expenditures now current among advanced thinkers. The tax situation being what it is, the fact that they may work out to the advantage of real estate owners is no prima facie argument against them. A few of his proposals for real estate relief, however, are debatable and may be legitimately opposed by other community interests which must be considered.

HEADLINES

MORE than one hundred thousand signatures, or almost three times as many as are legally necessary, were attached to a petition just filed for the recall of Mayor Porter of Los Angeles. The mayor, it will be remembered, won international notoriety last summer when he refused to drink a toast to the president of France, apparently on the ground that the eighteenth amendment had jurisdiction in foreign territory!

* * *

If Tammany is playing Scylla to Governor Roosevelt of New York these pre-convention days, Judge Seabury is starring as Charybdis. Facing Seabury's insistence that he remove Sheriff Farley, the Governor was much embarrassed. Loss of Tammany support might mean loss of the Democratic nomination. Failure to fire Farley might lose him equally important anti-Tammany support. To cap the climax, when he finally discharged Farley, Seabury got the credit!

* * *

If the city of Philadelphia is to bring 1932 appropriations within estimated revenues, the city and county departments will have to operate on a budget of 40 per cent below the level of 1930, according to the Philadelphia Bureau of Municipal Research. Since this is obviously impossible without seriously crippling city services, some tall thinking will have to be done in the Quaker city during the next few months. If the city has to balance its budget without relief of some sort, "Philadelphia will be a city not worth living in," declares the president of the council.

* * *

Thirty-nine-year-old Ray T. Miller, Democrat, is now mayor of Cleveland. The former county prosecutor won by a safe margin over former City Manager Daniel E. Morgan, his Republican opponent, in the election February 16. To Newton D. Baker's influence goes part of the credit for the victory. For the rest—blame the depression! For Cleveland, in an election that drew two hundred thousand citizens to the polls, went Democratic for the first time in seventeen years.

* * *

A bill to restrict the application of the New Jersey city manager enabling law has been introduced by Assemblyman Byrne. Under the terms of the bill, first-class cities can no longer adopt the plan. Apparently the manager movement in Jersey City last spring worried Mayor Frank Haig more than he admitted.

Virtual abolition of the parks and recreation departments in Detroit will be required to bring about economies demanded by New York bankers before approving loan. Financial dictators are replacing political bosses these days!

* * *

A study of the relations of state, county and town governments in New Hampshire will be undertaken in an effort to reduce costs, Governor Winant announces. Henry P. Seideman of Washington, D. C., will supervise the field work.

* * *

City-county consolidation movements are springing up here and there throughout the country. Birmingham, Los Angeles, and Omaha are among the numerous places where mergers are being proposed.

* * *

Chicago's $60,000,000 special subway fund, built up over a period of years, has all been used to pay city hall salaries. Salaries come before subways these days!

* * *

Court action is threatened against Detroit's plan to sell outright on April 5 property assessed at $500,000,000 on which $14,600,000 in taxes is delinquent.

* * *

Complete reorganization of the administrative machinery of the state government of Mississippi has been proposed by Governor Conner whose recommendations follow a survey just completed by the Brookings Institution.

* * *

Many New Jersey municipalities face mounting debts which it will be impossible for them to meet, as they come due. An act to permit them to refund interest deficiency notes or bonds has been introduced in the New Jersey legislature. New Jersey cities are not unique in this respect.

* * *

A bill to amend the home rule law of New York State to permit 15 per cent of the voters of any city to force the calling of an election to create a commission to draft a new charter has been introduced into the senate by Senator Samuel H. Hofstadter, chairman of the legislative committee investigating New York City. A similar bill was presented last year but failed of passage.

* * *

History textbooks are coming in for examination again. The assembly of Wisconsin has passed a resolution providing for the appointment of a committee of educators to study and determine the veracity of textbook statements placing the blame for the World War.

* * *

The Cincinnati city water works, in addition to making $499,194 in capital improvements in 1931, had net earnings of $112,156.

* * *

On February 23 the voters of Ravalli County, Montana, were to vote on the county manager plan. The Montana legislature passed an enabling act at its last session permitting any county to adopt the manager plan after referendum.

HOWARD P. JONES.

The Seabury Revue of 1932

Counsel to the legislative committee investigating New York City files his first annual report

BY HOWARD P. JONES *Public Relations Secretary, N. M. L.*

If, as Will Rogers said recently, it was too much penmanship that got us into the World War, Tammany Hall need not worry about wars, past, present or future. Indeed, avoidance of war, civil or internecine, is manifestly a cardinal canon in the creed of the fathers of the Union Square cathedral. There is no penmanship whatsoever in Tammany transactions. Even checks, which when cashed return to the sender, constitute too much penmanship in the opinion of George W. Olvany, former leader of Tammany Hall.

The board of standards and appeals in New York City, which must approve variations from the zoning ordinance, consists of five persons, all of whom are political appointees. According to the report submitted by Samuel Seabury, counsel to the legislative committee investigating the government or misgovernment of New York City, Judge Olvany's firm was in fact, though not on the record, the attorney for applicants before this board in cases involving fees aggregating a quarter of a million dollars, of which by far the lion's share went—not to attorneys of record—but to the Olvany firm. Such remittances to Olvany's firm in each case were made by delivering, without even a covering letter, the major portion of the fee in cash or cashier's checks. For this (to Seabury) "extraordinary and highly suspicious practice," the members of the firm offered the explanation that they did so to prevent other attorneys from exploiting their connection with the Olvany firm by exhibiting returned bank vouchers bearing the Olvany endorsement.

Realizing the great prestige of the institution he represents, Judge Olvany would not for a moment consider putting anything in writing which might create the impression that a relatively obscure attorney represents the great!

There is no record of Olvany's reply to Seabury's quiet comment that "had the original check been deposited, the canceled voucher would have been in the possession not of an attorney but of the interests that were paying the bill." His silence should not be taken to imply, however, that the shrewd Tammany leader had no comeback. Ah, no. But it would not have been dignified for him to point out the obvious—that after all photostatic copies of checks are not unknown. And, of course, such copy would suffice for purposes of misinterpretation!

Mr. Olvany obviously preferred delivery in cash. Even incoming checks were not received with the hospitality of ready endorsement. On the contrary, said checks—when not received in the usual course of business—were deposited without endorsement. Here again is evident Mr. Olvany's burning desire to keep the prestige of his institution above implication with the dubious or obscure.

He who would impute other motives to the former leader is manifestly a wretch—a libeler of the worst description! The something over $5,000,000 which was deposited to the credit of the firm but which does not appear in the firm's record was clearly for legal fees. The honorable Mr. Olvany's testimony on the stand refutes without possibility of rebuttal the charge that this $5,000,000 was the price of his political influence. Of course, when Mr. Olvany's firm appeared or when an attorney who had received the "smile of the king" appeared, invariably variations from standard practice were granted. Mere coincidence, doubtless.

* * *

The failure of the brokerage firm of McQuade and Brothers was an unfortunate event in the career of Register James A. McQuade, for, directly and indirectly as a result therefrom, James A. found himself faced with the necessity of supporting, single-handed, the thirty-four McQuades who constituted the family. Not that he minded the burden. The McQuade blood coursed through his veins. His McQuade heart beat true. It was a privilege.

But it did put him in an embarrassing financial position. Thirty-four mouths to feed, thirty-four persons to keep beneath the roof at night, thirty-four bodies to be clothed. And then, of course, the movies once in a while!

To do this it was necessary for Mr. McQuade to borrow money, pay it back and borrow more, repeating the process ad infinitum. Borrowing became more than a habit—it was almost a philosophy of life! In six years he deposited $547,000, most of which represented "borrowed" money since his salary only ranged from $9,000 to $12,000 during this period.

Everything worked out so well that Mr. McQuade's finanical embarrassment must have been assuaged considerably as time went on. Unfortunately, to his financial troubles, Mr. McQuade had to add the handicap of a poor memory. And it was really frightfully discomfiting to have to admit in public that he was unable to recall the names of any of those who had lent him all this money, when asked to do so by Judge Seabury. A most deplorable coincidence, but surely, to one who knows the thirty-four law-abiding McQuades, only a coincidence!

* * *

At the risk of overworking it, the word "coincidence" must again be applied to the interesting relationship between Mayor Walker (who is about due for another breakdown that will take him to Havana, the Cuban papers having already announced his hotel reservation) and Fred C. Harris, holder of a power of attorney over a safe deposit box held jointly with Russell Sherwood and Walker. Harris is treasurer and director of a bus company to which the mayor favored granting a franchise for $250,000 a year less than the offer of a competing company. And it might be mentioned in passing that Sherwood, the mayor's business representative, has risked a fine of $50,000 rather than appear as witness before Judge Seabury.

But then—he was on his honeymoon.

* * *

Sheriff Thomas M. Farley was another innocent victim, but neither of lack of memory nor coincidence. To the incredulity of blasé New Yorkers must be attributed his downfall if downfall there be. Sheriff Farley was so fortunate as to have deposited more than $360,000 in a period of a little more than six years, although his total salary and other accounted income during this period did not exceed $90,000.

Very carefully he explained to a doubting investigator and an audience which had lost its faith in Alice in Wonderland, that the excess had come from a tin box, "a wonderful box" as he described it—in which he had kept money that he had accumulated when he was business agent of a union. The sheriff was very fond of his box and justifiably so, since he had put in it approximately $100,000 but had drawn out of it more than $300,000.

Mr. Farley also freely admitted depositing to his own account the interest on public funds, and showed his complete honesty by his complaint that he had just discovered he was only getting part of the interest to which he was entitled! Now the bewildered Sheriff has been indicted. What an unreasonable world!

* * *

There were others equally nonplused at the unreasonableness of the world or the Seabury investigators. William L. Kavanagh, deputy water commissioner of Manhattan, could see nothing unusual in banking $250,000 in eleven years on a salary ranging from $3,500 to $8,500 a year. Michael J. Cruise, city clerk, who deposited $144,000 during the last six years of which $32,400 was in cash, also suffered from loss of memory as to where some of the deposits came from.

There were many others of the same sort. Apparently the only man who has appeared before the investigators and who has not been unable to explain to his own satisfaction has been William F. Doyle, who appeared as attorney in cases before the board of standards and appeals, and who has admitted splitting fees. Doyle has steadfastly refused to disclose the persons with whom these fees were split in spite of the offer of the committee to give him immunity. Indeed, he went to jail for a short period rather than talk. It is really too bad that Dr. Doyle could not have suffered from the embarrassment of loss of memory that afflicted a number of the others. He did—but not quite so completely!

* * *

One other deserves mention here. For the past ten and one-half years James J. McCormick has been deputy city clerk in Manhattan, performing marriage ceremonies at a salary ranging from $5,000 to $8,500 a year. Between 1925 and 1931 McCormick deposited in his bank accounts $385,000 at the end of which time his balance was $257,000—most of this amount coming from "gifts" made by blushing bridegrooms after the ceremony. This is one man who cannot be forgiven on the grounds of coincidence or poor memory. It was not only dishonest but downright mean to take financial advantage of a man's weakest moment!

* * *

The Seabury Revue of 1932 is probably the best and least expensive show running on Broadway this season: huge audiences witness the performances daily, and since the act is changed almost every day, one can enjoy it over and over again. Yet the price of a season ticket, good for all performances, is less than a nickel![1]

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[1] As may be quickly ascertained by the simple if not scientific method of dividing the population of New York State by the cost of the Seabury investigation, approximately $500,000.

The Municipal Bond Market—Past, Present and Future

THE collapse (relatively moderate) of the market for municipal securities has directed attention to the necessity of sound financial administration

BY SANDERS SHANKS, JR. *Editor, the Bond Buyer*

OCTOBER, 1929, will be remembered for the crash in the stock market. October, 1931, marks the collapse of the municipal bond market and the beginning of a new era in state and municipal finance.

While there had been plenty of trouble spots in the municipal bond situation prior to last autumn—among which we might mention the Florida defaults, Chicago-Cook County financial troubles, Asheville-Buncombe County, North Carolina, Fall River, Massachusetts, and Cisco, Texas, defaults, Detroit's fiscal crisis, some embarrassing bank closings tying up public sinking funds and other deposits—there had been no general breakdown in the machinery furnishing long and short-term credit to municipalities. In fact, as recently as mid-September of last year, municipal bonds were in good demand at prices just under the highest level seen in over twenty years. Short-term money was in good supply at rates ranging from 1½ to 3 per cent.

MUNICIPALS JOIN PROCESSION DOWNWARD

The storm broke following England's suspension of gold payments. The collapse of the bond market carried the best municipals down along with all other securities. Bank credit, so far as dealers in bonds were concerned, dried up almost completely, which made it impossible for dealers to underwrite new issues and it was very soon realized that the banks were no more ready to lend money to cities on temporary loans than they were to finance the dealers' bond underwriting operations. During the month of October, the municipal business came to an almost complete stop. The aggregate par value of new bond issues brought out in that month during the preceding ten years was never less than $65,000,000 and in 1928 exceeded $173,000,000. In October, 1931, new issues amounted to $18,292,743!—and but few of these were placed through the customary channels of investment banking.

In the four months' period October, 1931, to January, 1932, state and municipal financing has been running at about 40 per cent of the average volume for the period 1920–1931 (if we exclude the $100,000,000 short-term New York City emergency corporate stock loan arranged in January).

Prices of both long and short-term municipal securities have, of course, suffered a disastrous drop during this period. In the spring of last year, some of the highest grade city bonds sold at the best prices recorded since as long ago as 1908. Using a group of 20 of the largest cities as a basis for a market price index, we find that at this high level the net interest return on the bonds of these cities averaged 3.74 per cent. Those same bonds, if sold today would have to be priced to yield 5 per cent or more. Assuming the bonds to have an average maturity of 20 years, the depreciation over a period of seven months amounts to a minimun of 15 points. And remember, this is what has happened to a group of *high grade* bonds. Plenty of instances of declines of 20 to 25 points on second and third-rate issues might be cited.

FLUCTUATION IN SHORT-TERM INTEREST RATES

Short-term interest rates have fluctuated even more violently. Prior to last October, cities were borrowing on tax anticipation paper maturing in less than a year at rates of less than 2 per cent. Here are a few examples of short-term municipal borrowing negotiated as recently as September, last: New York City, $20,000,000, 4 months notes at 1.45 per cent; Rochester, New York, $1,000,000, 6 months notes at 1.39 per cent; Syracuse, New York, $2,000,000, 4 months notes at 1.73 per cent; Worcester, Massachusetts (this is representative of financing by many cities in Massachusetts), 2⅙ months notes at 1.24 per cent. New York City is now paying 5¾ per cent. Most cities that are fortunate enough to be able to borrow in anticipation of taxes at all are paying 6 per cent, and the governor of Massachusetts recently suggested that the state be allowed to guarantee city notes in order to make them marketable!

It is clear that there has been a serious breakdown in the structure of municipal credit. For certain reasons, which may or may not be well-founded, bankers and investors are challenging the soundness of the theory that collection of taxes is, like only death, a certainty; and that, since municipal bonds are payable from taxes, they are prime investment securities, second only to federal government obligations.

BUYERS IN QUESTIONING MOOD

Today, the prospective buyer of a municipal bond is asking questions which a year ago many municipal bond specialists would not have been able to understand—let alone answer intelligently. Instead of considering whether or not a bond is "legal for savings banks," the buyer is now more interested in the city's tax collection record. Where he formerly gave great consideration to the tax-free status of the municipal bond income, now the inquiry is more apt to relate to budget deficits, how the city's bank deposits are secured, how much short-term financing will have to be arranged in the near future, or what steps have been taken to deflate operating expenses.

To understand this sudden apprehension over the ability of municipalities to carry their debt burdens (and that is really what it amounts to) it is necessary to consider, in the light of the vicious deflation of 1930 and 1931, the record of the past ten or twelve years. State and municipal debts have been increased tremendously, measured by any yard stick.

The net annual increase in the funded debt of the states and all municipalities (including a wide variety of special taxing districts) during this period is estimated at about $1,000,000,000. Along with the added burden of carrying and redeeming this debt, there has been a steady increase in the cost of operation (overhead) of local government. Until quite recently this had been looked upon with equanimity by taxpayers and by the investors who have absorbed readily these billions of dollars worth of permanent improvement bonds and short-term notes. Confident that the country would continue to grow, that prosperity would endure indefinitely and, even conceding that cities were guilty of a certain amount of extravagance, graft and inefficient spending, it was believed that there was ample margin of safety in a tax-secured obligation, no matter what might happen.

Where prior to the World War, the municipal bond business had been one of the less important branches of the investment banking profession, in the last decade it became a major department, with many large banking or private banking institutions maintaining elaborate municipal bond departments to underwrite and distribute new issues on a wholesale and retail basis. In recent years it has been considered "normal" for the dealers operating in the New York bond market alone to carry "on their shelves" somewhere in the neighborhood of $150,000,000 of bonds.

FLORIDA WARNING IGNORED

In 1926, the collapse of the real estate boom in Florida and the municipal financial troubles of the cities and towns which followed were extremely disconcerting to holders of Florida bonds, but generally speaking this warning of what might happen in other sections of the country was ignored and the pace of debt making, except in Florida, was maintained. The Chicago-Cook County troubles were also considered to be the outgrowth of peculiar local conditions.

In the closing months of 1930, however, a brief, but alarming, disturbance in the securities and money markets caused many important buyers of municipal securities to take stock of conditions. The Fall River default occurred at this time; also the Asheville-Buncombe County trouble. The bank failures, resulting from the collapse of Caldwell & Co., Nashville investment banking firm, was seriously embarrassing to the state of Tennessee and a number of counties and cities in that state and elsewhere, and, in fact, had more or less to do with the Asheville default.

From that point on the municipal bond market became more and more a selective affair, with the spread between prices of the best grade and the second-grade bonds increasing to an abnormal extent. That the bonds of a comparatively few of the most highly regarded states, counties and cities sold at such high prices in 1931, was due to the investors' growing fear that municipal credit in general was not as sound as had been supposed up to that time.

This brings us down to the present, and it must be stated that the municipal bond market is today in a deplorable condition. In fact, there is virtually no market for new permanent improvement loans and the borrowing of money in anticipation of taxes is, as a Boston banker stated recently, "well-nigh an impossibility." Investors and bankers have adopted the attitude that the deflation of values has threatened the ability of municipalities to collect sufficient taxes to support their debts—which on the basis of deflated valuations of taxable property now appear to be far heavier than when they were incurred. Increases in tax delinquencies together with budget deficits resulting from unanticipated decrease in revenues and abnormal expenditures for emergency relief, justify the lenders' insistence that municipal borrowers take immediate steps to readjust their operating costs, clean up deficits accruing from past years and balance current budgets.

PRESENT SCRUTINY AN ULTIMATE SOURCE OF STRENGTH

There has probably been more publicity given to the financial condition of the cities of New York, Chicago, Philadelphia and Detroit in the last few months than in the preceding ten years. And, while the immediate result as reflected in bond market quotations is distinctly unpleasant, it is already apparent that the result will be to greatly strengthen the position of the securities of the very communities which are being subjected to the most thorough scrutiny. Further, it must be kept in mind that, as the country breaks loose from the grip of the current cycle of deflation and despondency, financial problems which now seem impossible of solution will rapidly disappear.

As a matter of fact, state and city bonds, on the basis of comparison with all other classes of securities, have not made a bad showing down to date. No state and, with one or two exceptions, no important county or city has defaulted on its debt service payments. Where such an eventuality has threatened, municipal authorities have displayed a willingness to take the steps necessary to meet the situation successfully. There is ample evidence that public authorities, taxpayers, bankers and investors are thoroughly aroused to the seriousness of the situation and have already initiated a policy of retrenchment in both current and capital expenditure budgets which recognizes the need both for the protection of the taxpayer against a confiscatory burden on his property and for the investor who has loaned his money to build a school house or pave the streets.

The Surplus That Made Milwaukee Famous

Is THE widely advertised surplus fact or fiction?

BY PAULA LYNAGH *Citizen's Bureau of Milwaukee*

LITERALLY a hundred editorials have recently been published extolling Milwaukee's financial administration. Uncle Sam looks amazed at a stein foaming with a "$4,000,000 surplus in the bank" in a *Detroit News* cartoon captioned "Milwaukee is Famous Again." A Boston newspaper goes so far as to give reasons why "Milwaukee had millions of cash and no indebtedness." Curiously enough in one of our home papers the convenience of multiple governments is demonstrated by publishing side by side in the January 20, 1932, issue one article stating, "The entire western world, not merely the United States, has its eyes on Milwaukee and is wondering by what miracle it has managed not only to show no deficit in municipal finances during 1931, but to come out of the year with a surplus in the banks." And in the next column, "County Seeks Another Loan. Supervisors Vote to Borrow $2,500,000; Relief Blamed."

A WELL GOVERNED CITY

Milwaukee's reputation of being a well governed city is warranted although:

The $4,000,000 "surplus" is really bond funds intended for projects which have been unavoidably delayed, and the $2,000,000 county borrowing to meet outdoor relief expenditures had no news value;

The amortization fund increased faster than expectations, but no comment is made that the debt it is to overtake increased still faster;

An independent government (metropolitan sewerage commission) rendering functions of which the city is the major beneficiary, has been created. This makes the city public debt appear unusually low;

Present total debt charges of the city and county are not typical because the retirement of the $17,300,000 bonds for the sewage disposal system does not begin until 1933;

The city has financed its improvements extensively on the pay-as-you-go principle largely because it had used up its bonding capacity; and

The property tax rate is low because the income tax is the equivalent of $4.30 a thousand property tax.

One of the characteristics of the city is the comparative permanence of its administration. Daniel Hoan served as city attorney from 1910 through 1915 and has been mayor since 1916.

The city comptroller has been continuously in office since 1912, the city treasurer since 1916, and the city attorney since 1918. The same alderman has been the president of the city council since 1912. There have been only two chiefs of police appointed in forty-two years.

The two competing parties are Socialist and "Anti-Socialist," known as Non-partisan. Both have little or no interrelation with state or national politics. The municipal housekeeping has not been burdened for many years now with the usual parasitism which is the National Republican or National Democratic gift to the cities in which either labor exchange flourishes.

$2,000,000 COUNTY LOAN

All of the recent publicity refers to the city government's finances. But a picture of Milwaukee financial conditions is not afforded by merely scrutinizing "income and outgo" of the city of Milwaukee. The county government has an "income and outgo" also; and Milwaukee is 80 per cent of its county and also 81 per cent of its Metropolitan Sewerage Area. The greatest single recent government expense increase which local governments have to shoulder is that which arises out of the depression. And in this community all forms of charity are administered by the county government. The county's 1931 cost for all forms of public outdoor relief has increased 550 per cent over that of 1928 causing the country to borrow $2,000,000 in 1931 which will be recouped from the 1932 property tax levy. On February 1, 1932, one-seventh of all the families in Milwaukee County were being maintained by just the Outdoor Relief Department indicated in the subjoined tabulation.

MILWAUKEE COUNTY OUTDOOR AND INSTITUTIONAL RELIEF 1928 COMPARED WITH 1931
(1931 ten months actual, two months estimated)

	1928	1931
Outdoor relief		
Outdoor relief department	$176,963	$2,620,000
Soldiers' relief commission	33,783	193,566
Mothers' aid	288,123	589,000
Blind pensions	51,895	60,250
Old age assistance	....	130,249
Total outdoor relief	$550,764	$3,593,065
Institutions	2,321,825	2,687,024
Total relief	$2,872,589	$6,280,089

During this period "made work" (relief) projects of the city administration amounted to only $140,500 in 1930 and $421,876 in 1931. These expenditures have been offset, however, by a sharp decline in the total expenditures for those permanent improvements which have involved the use of special assessments. Neither the specially benefited taxpayer, through special assessment, nor the city as a whole through the general fund, has been obliged to foot as large a permanent improvement bill as during the more spacious and "prosperous" times. (The connection between contraction of this activity and unemployment is obvious). By and large, the increased expenditures for public relief in Milwaukee County have been borne during 1930 and 1931 by the property taxpayer. In 1932 a larger proportion of such charges will be borne by an income tax. Wisconsin's special session of the state legislature, after a two-month communion with nature, doubled the normal individual tax on incomes earned in 1931 to be devoted to 1932 relief purposes. This income tax measure includes in taxable income the dividends of Wisconsin corporations previously exempt, and omits any consideration of capital gains or losses.

THE FAMOUS $4,000,000 CASH BALANCE

The city had on December 31, 1931, a cash balance of $3,400,000 ($4,000,000 had been estimated in the press). The city has in progress since 1920 a major down-town street widening project. Three adverse Wisconsin supreme court decisions, beginning in 1925, have defeated the city's attempt to levy any special assessments for this work. Because the city lacks any assurance that it possesses the power to levy special assessments for street widenings the city comptroller has refused for almost four years to countersign the release of bond proceeds and tax levies until an adequate special assessment law is available. This aggregate of funds, which the comptroller is safeguarding, totaled $2,575,000 a year ago. Another $2,350,000 from bond proceeds intended for a viaduct construction is available to pay current bills because of a legal controversy about "bids" for the work.

This totals $4,925,000 to which can be added approximately $700,000 prepaid taxes, upon which, by the way, the payer draws interest at two per cent from time of payment until the beginning of the fiscal year and obtains certain publicity. Further items are the usual departmental surpluses, but since these substantially remain unchanged from year to year, they are not of the same importance as those listed above. Enough has been said to make clear from what sources and by what circumstances Milwaukee had $3,400,000 cash in the city treasury on New Year's day.

AMORTIZATION FUND

The amortization fund was created in 1923. It is a trust fund built up from all interest collected on unpaid paving special assessments (payable in six annual installments with six per cent annual interest charge) and at least one-third of interest earnings such as on bank deposits, extended taxes, etc. The fund assets totaled $3,600,000 as of January 1, 1932, and was invested entirely in city of Milwaukee bonds. These bonds are in no way amortized. The taxpayer continues to pay the annual interest and principal charges. The interest earned by the bonds in the fund comprises on January 1, 1932, 16 per cent of the total fund assets. When the fund equals three-fourths of the debt outstanding the law provides that: "three-fourths of the annual interest on said fund shall be applied to pay the interest on any outstanding bonds and to assume new bond issues of such city, or as the public debt commission may from time to time with approval of the common council apply the same for any purpose for which municipal bonds may be legally issued." It is a trust fund in that the principal can never be used.

When the plan was inaugurated, its proponents estimated that the city would repurchase all its outstanding bonds by 1963, *i.e.*, in a period of forty years. The fund's size after eight years has reached the expected growth of a decade. But by 1928 the debt amounted to the estimated 1973 fund accumulation. In the same year that the amortization fund began operation an annexation division was authorized and the city's area has subsequently been increased 60 per cent, carrying with it a 35 per cent increase in assessed valuation. The expanding assessed valuation did not provide rapidly enough for the issue of additional bonds. Therefore, beginning with 1926, the basis of the computation of the debt margin was changed from five per cent of the assessed valuation *five-year* average, to five per cent of the *current* assessed valuation.

PUBLIC DEBT COMPARISON COMPLICATED

The city council and board of school directors public indebtedness amounting to $46,000,000 is frequently cited as representing the city's indebtedness without any recognition being given to the city's share of the debt of the county and metropolitan sewerage area. From 1914 to 1921 the city council collected by means of a one-mill tax $4,000,000 from general property tax levies, and issued $5,500,000 of bonds for the construction of the sewage disposal plant and intercepting sewers. The burden was becoming so constrictive that in 1921 the legislature was persuaded to create an independent government known as the city sewerage commission with jurisdiction over the sewage disposal plant and of all parts of the system lying within the city. A metropolitan sewerage commission was also created with jurisdiction over that part of the system lying outside the limits of the city of Milwaukee. The city's bonded debt is therefore:

Jurisdictions in city area	January 1, 1932 Indebtedness	
	Amount	Per cent
City council and school board................	$46,380,000	64.9
City sewerage commission	17,319,192	24.2
City's share of county debt	7,837,072	10.9
	$71,536,264	100.0

Since 1921 the metropolitan sewerage commission has issued $13,500,000 in bonds for work done in the city of Milwaukee. The city council was not only able to "shed" a financial embarrassing function, but the entire metropolitan sewerage district (of which the city of Milwaukee comprises 81 per cent) will repay the city its pre-1922 investment of $9,500,000 plus 5 per cent interest. The city of Milwaukee's debt (city, school, county and sewerage commission) has increased from $24,826,433 in 1921 to $71,536,264 as of January 1, 1932, representing 188 per cent.

DEBT MARGIN ALL USED

During the last ten years, the city and school administrations have authorized all the bonds legally permissible, while the decade of 1912–1921 inclusive only 32 per cent of the debt margin was availed of. Frederick L. Bird's study, *The Present Financial Status of 135 Cities in the U. S. and Canada*, records Milwaukee as having the least unused margin of bonded debt capacity in 1930 ($276,339) of any city having a population of 100,000 or more. In 1932 the city council and school board will be able to issue only $2,300,000 of bonds. The ability to issue bonds has been reduced by the transference in 1929 of the power and light companies' assessment from localities to the state, and the exemption of automobiles in 1931 from the personal property assessment. The county on the other hand, had a debt margin of $47,116,680 on November 1, 1931.

PAY-AS-YOU-GO PRACTICED

Both the city and the county have used extensively the principle of paying for permanent improvements from current taxes. Bonds financed 47 per cent of the $138,100,000, 1921–1930 inclusive permanent improvements constructed in behalf of the city by the city council, board of school directors, local board of industrial education, sewerage commission, and county board of supervisors' jurisdictions.

Bond proceeds financed 44.8 per cent of the city council and school board's

$109,000,000 of permanent improvement costs in the last ten years (1921–1930 inclusive) general taxes financed 21.8 per cent, special assessments 23.2 per cent, and water revenues 10.2 per cent. A tax levy limited by the state to a maximum of one mill, has been levied since 1915 for permanent pavements. Forty per cent of the $17,500,000 school construction costs in the last ten years have been financed from current taxes. A referendum in 1928 approved a one mill tax for school construction to be levied each of five years. Under normal business conditions this mill tax would probably have been extended in 1933. As it is, the city council will no doubt authorize tax levies for building purposes sporadically as it did prior to 1928. Forty-one per cent of the $10,000,000 of park and playground capital costs during 1921 to 1930 inclusively were financed from cash.

The county's $20,139,100 permanent improvements completed in the ten years were financed 18.5 per cent from bond proceeds, 59 per cent from general taxes, and 22.5 per cent from state highway aids. The only bonds issued in the ten years were $6,600,000 for the new court house. In 1923 a county building program was mapped out and a resolution passed providing that $500,000 a year from current tax levies together with departmental surpluses be set aside each year into a building fund. Because the 1923 building program was practically completed, combined with the pressure of outdoor relief expenditures, this practice was discontinued in 1931.

The $13,500,000 sewerage disposal system construction work in behalf of the city of Milwaukee which took place in the decade were financed entirely from bond proceeds.

DEBT CHARGES WILL INCREASE SHARPLY

At the present time 20.7 per cent of the city's property tax levy for city, school, county, and state purposes are to defray debt charges. This low percentage for debt charges is due in part to the fact that the first payment on the retirement of the $17,300,000 sewage disposal system bonds (city's share) does not take place until 1933. These bonds, representing one-fourth of the public debt against city property were issued at various times with a twenty-year life but to be retired in ten years, at the present time they have an average maturity of fifteen and one-half years. The amount of principal to be retired each year will increase rapidly and reach a maximum in 1941 at which time it will approximate the 1930 interest charges for the entire debt under the city council and school board jurisdictions.

INCOME TAX EQUIVALENT TO $4.30 PROPERTY TAX

The city of Milwaukee's property tax rate for city, school, county, and state purposes has ranked very consistently about 13th among the 25 largest cities for a number of years. It is generally overlooked, however, that the city's receipts from the income tax bulks a larger proportion of the total revenue, as reported by the bureau of census in its *Financial Statistics of Cities*, than any other city having a population of more than 300,000. In 1930 the income tax (city's, and city's share of the county receipts) was the equivalent of a $4.30 a thousand dollars assessed valuation tax on city property. It was 11.5 per cent of the total revenues for city, school, and county purposes. In 1930 residents of the city paid in income taxes an amount equal to 25 per cent of their property tax.

Shanghai's International Municipal Government

THE municipal government of the International Settlement is not the least interesting phase of one of the world's danger spots

BY HAROLD E. JONES *Princeton University*

THE municipal government of the International Settlement of Shanghai, the focal point of China's commerce, banking and population, is unique. Its legal status is unusual; it has no courts to enforce its laws, but exercises military and police powers. It must also cope with strange problems and perform extraordinary functions in the administration of the area under its jurisdiction, in addition to maintaining semi-diplomatic relations with two other municipal entities.

Shanghai consists of three areas administered by separate authorities, each under its own laws. They are the International Settlement, the French Concession, administered by the French consul-general who possesses full veto powers and is assisted by an advisory "mixed" council; and the Chinese area, known as the Municipality of Greater Shanghai, which has a mayor and chiefs of certain administrative bureaus, appointed by the National Government, and functioning under the direct control of the Administrative Yuan at Nanking.

The Chinese area surrounds the International Settlement and the French Concession, which lie adjacent to each other on the western bank of the Whangpoo river. A considerable area of the eastern bank is also included in Greater Shanghai, which is the largest of the three areas and contains a population of more than twice the total population of the Settlement and the Concession. The Settlement includes the central business area and the foreign shopping district of Shanghai and most of the modern factories. The wharves and pontoons are mostly on the six-mile river front of the Settlement.

The urban portions of the Chinese area consist of the old Chinese city, situated south of the French Concession on the same bank of the river; Nantao, just south of the Chinese city; and Chapei, north of the Settlement. Apart from a few creeks, the boundaries between the different areas are, in normal times, mere lines on the map.

The extent and population of these areas may be learned from the tables on the following page.

THE ELECTIVE MUNICIPAL COUNCIL

The administration of the International Settlement is in the hands of an elective municipal council of fourteen members, five of whom are British, five Chinese, two Japanese and two American. The so-called "mayor" of the Settlement, Stirling Fessenden, is an American, who had been chairman of the council since 1923 and was in 1929

	International Settlement	French Concession	Greater Shanghai	Total
Area, in sq. miles	8 2/3	3.94	320	332
Population	*998,362*	*434,220*	*1,689,100*	*3,121,682*
Foreign	26,965	12,335	9,790	49,090
Chinese	971,397	421,885	1,679,310	3,072,592
Houses	*80,546*	*39,231*		
Foreign-style	6,184	5,338		
Chinese-style	74,362	33,893		
Developed river frontage, in feet	31,875	3,800	74,000	109,675

Foreign Population by Nationalities, 1930[1]

	International Settlement	French Concession	Greater Shanghai	Total
Japanese	12,788	318	5,690	18,796
British	4,606	2,228	1,615	8,449
Russians	3,113	3,879	374	7,336
Americans	1,145	1,541	463	3,149
British Indians	1,758	....	84	1,842
All others	3,555	4,379	1,564	9,518

appointed director-general. His appointment was part of the program for renovating the administration in accord with the new spirit of coöperation with the Chinese.

Although Shanghai was one of five ports in China opened to foreign traders in 1842, the Settlement did not have a government until 1854. In this year the foreign land renters elected three councilmen and adopted the Land Regulations, which already had received the assent of the British and American ministers and the Taot'ai through exchange of notes. The first meeting was held under the supervision of the British, French and American consuls. The Land Regulations, which form the constitution of the International Settlement, were largely revised in 1866 by the addition of numerous by-laws. The authority of the government rests upon the original agreement of the three powers. The Settlement lives today under laws dating mainly from 1866 when the Settlement was less than one-third its present area and when the foreign population numbered approximately 2,200 and the Chinese 90,000. Today there are 26,965 foreigners and 971,397 Chinese crowded into an area of less than nine square miles.

The Land Regulations vest in the present foreign ratepayers direct legislative powers, such as the powers to approve the budget, review expenditures, impose taxes, and make laws.

In addition to its administrative duties the municipal council has limited legislative powers. It can enact supplementary regulations (ordinances) to the by-laws. By-laws, however, must be ratified by a majority of a quorum of the foreign ratepayers, who act in a special meeting called for the purpose, and then must be sent to the consular body for approval. (The

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[1] All figures in this article are as of December 31, 1930, unless noted to the contrary.

Chinese ratepayers have no share in legislation except through their elected members on the council.)

At their annual meeting, which does not require a quorum, the foreign ratepayers pass on the council's expenditures for the preceding year, adopt the current budget and levy taxes. In the past, the requirement that the council's financial proposals must be approved by the annual meeting, and the initiative and referendum powers over by-laws possessed by the ratepayers have turned light on questionable policies of the council. It is doubtful whether the present meetings, which nearly 3,000 persons are qualified to attend, perform their legislative functions satisfactorily. The attendance varies widely. Except when important questions are known to be coming up, the annual meeting may represent a casual and insignificant minority.

The franchise is limited to foreigners who either own considerable property under foreign title, pay a substantial rental assessment, or vote in a representative capacity on behalf of some foreign firm. There is plural voting. In 1931 2,965 qualified voters had 3,243 votes.

The Chinese members of the council and of the committees are elected by the Chinese Ratepayers' Associaton. A Chinese is qualified as a ratepayer upon the payment of lower assessments than the foreigners, or by owning land under any title.

POWERS OF FOREIGN DIPLOMATS

The municipal council is singularly dependent upon the members of the consular body, who, under responsibility to their ministers, serve as the official means of communication between the council and the Chinese authorities. Not only do the Land Regulations impose upon the consuls certain duties with regard to the fixing of dates of elections and the holding of ratepayers' meetings, but they also require consent of a majority of the consuls for the passage of municipal by-laws, which are then referred to Chinese authorities. Thus the municipal council is given extraterritorial status. It is not subject to the jurisdiction of the Chinese courts. Questions raised by foreigners and Chinese as to the nature and powers exercisable by the council under the Land Regulations can only be decided by a special court—the Court of Foreign Consuls.

The municipal council, however, has no courts of its own. But as the only police authority in the Settlement, and in any attempt to establish a civil claim, it is the body responsible for initiating in the public interest prosecutions in the court having jurisdiction over the defendant. Proceedings are taken against the Chinese, or foreigners not possessing extraterritorial rights, in the Chinese courts, and against foreigners possessing extraterritorial rights, in the appropriate extraterritorial court.

In addition to its general municipal activities, the council is concerned with the defense and the armed neutrality of the Settlement, and also the exclusion of invading forces—powers which exceed the normal police power. To this end is organized the Shanghai Volunteer Corps, which, besides 1,243 active and 364 reserve volunteers drawn from twenty nationalities including the Chinese, has attached to it 250 White Russians in two companies employed on a full-time basis. The volunteers, besides being called upon to join the police in times of internal disorder, combine with the regular military forces of the Powers in defense of the Settlement.

The municipal council exercises the sole police power over the Settlement to the exclusion of the French and

Chinese police, and also has jurisdiction over 48 miles of roads belonging to the council outside the Settlement.

TAXATION

With the exception of customs duties and a land tax on property held under the old Chinese titles, no Chinese taxes can be collected within the Settlement. Land held outright by foreigners or in trusteeship for Chinese under consular title deeds obtained through registration at the land office of the proper consulate is subject to a tax of one-eighth of one per cent. The Settlement government, however, obtains most of its revenue from a levy amounting to 16 per cent for foreigners and 14 per cent for Chinese upon the annual rental payments made individually. In 1930 foreigners paid Taels 2,806,217 and the Chinese, Taels 3,081,520, in rental taxes. In 1929 the total rental tax came to approximately $2,875,300 and the land tax to $1,675,000 of a total of ordinary receipts of $7,109,800.

License fees form the third important item of the Settlement's ordinary income. The total ordinary expenditure for an average year is between $5,000,000 and $6,000,000. Comparative statistics as to the rates of taxation in important British cities show that the Settlement community receives, upon a low rate, a wide range of services for its "tax tael."

The municipal council operates its own water works. In 1929 it sold the electricity department to interests representing American capital, and in 1930 turned over the telephone system to the International Telephone and Telegraph Company.

EXPENDITURES

Approximately one-third of the ordinary public revenue is expended for police protection, while only a little less amount goes for public works, under which are included 225 miles of roads, sewage disposal, the Settlement's excellent parks, etc. Public health is the third important item of expenditure, which is followed by education. With European influence strong, it is not surprising that the annual cost of a city band and concert orchestra should equal the cost of maintaining the fire brigade. An item that would be anomaly in the expenditures of an American city is the charge appearing for the study of Chinese by the foreign staff and for Chinese translations.

The council has on its permanent payroll 2,550 foreigners and 7,600 Chinese. The principal administrative officials, all foreigners, are the director-general, secretary, commissioner and deputy-commissioner of police, superintendent of goals, commissioner of public health, commissioner of public works, treasurer and comptroller, and commissioner of revenue. The commandant of the Volunteer Corps is an officer of the British army detailed to the council by his government.

POLICE, HEALTH, FIRE PROTECTION

The police force has been almost doubled since 1925, due to the great ingress of Chinese into the Shanghai area from "up country," the growing number of motor vehicles, the increase of armed kidnappings and robberies, and the demands of the Chinese ratepayers for added protection. The work of crime prevention and surveillance is extremely difficult. The areas policed by each of the three municipal police forces are densely populated and without natural boundaries. Criminal gangs operate in one municipality and take refuge in another. While the forces do coöperate, full coöperation is impossible because of the fundamental differences in ideas of police administration. Mendicancy is one of the many troublesome problems.

Pasadena Uses the Recall

A RESENTFUL electorate in a California city turns the whole board of city directors out of office

BY WILLIAM B. MUNRO *Pasadena, Calif.*

THE recall of an entire city council is an unusual occurrence in American municipal politics. Voters, as a rule, are disinclined to eject a whole city government from office unless the provocation is strong. That is one reason, among others, why the recent general ouster in Pasadena deserves to be regarded as a phenomenon of more than purely local interest or significance. It sheds some light upon the merits and shortcomings of the recall procedure as well as upon the methods of arousing a municipal electorate. In this instance the people rebuked their representatives with a voice which left no room for diversity of opinion. They gave themselves a new deal, which is what some other cities may do with profit to themselves from time to time.

Pasadena is a city of homes, with few industries. Its population is somewhat under one hundred thousand. Geographically the city belongs to the group of satellites which encircle Los Angeles, but politically moves in an orbit of its own. A community with high standards and sound governmental traditions, Pasadena has steadfastly maintained a high level of efficiency in all administrative departments. No city of the United States has been more fortunate in the general excellence of municipal government during the past twenty years, or more nearly immune from the befoulment of partisan politics. This record has served to build up in the minds of Pasadenans a deep-seated civic pride which quickly recoils against the factional squabbling that so many other American cities tolerate as a matter of course.

HOW THE TROUBLE BEGAN

Some years ago Pasadena adopted the city manager form of government. The city charter provides for a city council, which is called the board of city directors, made up of seven members. These directors are elected by the city at large, but with the provision that one of them must be chosen from each of the seven districts into which the municipality is divided. The term of office is four years, but with an arrangement whereby approximately half the directors are elected biennially. As a body, this board of directors has power to make the city ordinances, to adopt the municipal budget, to appoint a city manager who holds office during the board's pleasure, and to determine all matters of general policy. As individuals, the directors are not assigned to the headship of departments and have no administrative functions.

The board elects its own chairman and the charter makes no provision for the title of mayor. The city manager is the chief executive officer and as such is entrusted with the supervision of the administrative mechanism, with the power to appoint and remove his own subordinates. Until 1931 the spirit of the charter was honored by a relatively strict observance, and the city manager was accorded a reasonably free hand in the performance of his duties.

At the regular municipal election of last May, however, four new members were elected to the board. These newcomers had made various charges against the incumbent city manager and were pledged to get rid of him. In addition they promised to stir things up generally. The people of the city were not clamoring for a change and the new directors owed their election to the fact that only a small portion of the electorate went to the polls. Less than 20 per cent of the registered vote was cast. But this electoral apathy, besides being unusual for Pasadena, soon brought its traditional penalty, and things began to happen at the city hall with drum-fire rapidity.

THE CITY CHANGES MANAGERS

First of all the city manager was induced to resign. No malfeasance was proved against him personally, but he was shown to have made various errors of judgment and to have authorized some payments which the city law department subsequently ruled to be illegal. One of his subordinates, moreover, was proved to have been guilty of padding the city payroll. So the manager resigned under pressure. But before departing from office he fired a parting shot by dismissing the city engineer. He also stirred the ire of his opponents by discharging an employee of the comptroller's office who had been supplying the newly-elected directors with inside information. Demands were made that this employee be reinstated, but a majority of the board declined to comply. Then the factional pyrotechnics began.

This bitterness showed itself when the board turned its attention to the task of securing a new city manager. By the terms of the Pasadena city charter the appointment of a new manager requires the votes of five of the seven directors. Three members of the board promptly declared for one candidate and announced through their spokesman that they would keep voting for him "till hell freezes over." As the other four directors declined to support this candidate on any condition the result was a hopeless deadlock.

Ballot after ballot was taken, day after day. Members of the board lost their tempers and turned bedlam loose in the council chamber. The newspaper accounts of the daily fracas sounded like communiqués from a battle front. One director announced to the newspaper reporters that he was carrying a blackjack for use if need arose. Ultimately the minority's candidate for the city managership withdrew from the race and an agreement on the majority's choice was then secured. The appointee had been serving as city manager in a neighboring municipality and possessed excellent qualifications for the post. His selection was fortunate in all respects and the minority directors pledged him their support.

THE COMBAT THICKENS

With the selection of a new manager out of the way it was confidently hoped that some approach to harmony would now prevail at the board meetings, but unhappily nothing of the kind came to pass. The minority was still determined that those officials who had been dismissed by the old administration should be reinstated by the newly-appointed city manager who quite naturally did not desire to get mixed in a feud that was not of his own making. Delegations of trouble-makers, abetted by the minority directors, came to the board meetings with an insistent demand that the new city manager be ordered to make the reinstatements against his own will and judgment, thus disregarding both the letter and the spirit of the city charter. These delegations, with crowds of spectators, thronged the board-chamber, entering into arguments with majority directors and turning the place into a Babel while the chairman pounded his gavel in a vain attempt to squeeze order of the chaos. Urgent matters of great importance lay on the table while the wrangle went on, meeting after meeting.

A MAYOR BY ORDINANCE

Meanwhile the chairman of the board proceeded to let himself be named mayor. Inasmuch as the city charter contains no provision for any such office, no powers could be bestowed upon it; but an ordinance was passed conferring the title, and His Honor proceeded to live up to it. His intentions were good and his industry prodigious. All day and every day this unremunerated first citizen of Pasadena busied himself at the city hall, earning for himself the Shakespearean tribute:

> O, good old man, how well in thee appears
> The constant service of this antique world,
> When service sweat for duty, not for meed!
> Thou are not for the fashion of these times,
> Where none will sweat but for promotion.

But public sentiment did not greatly appreciate this gratuitous sweating outside the bounds of the city charter. It resented the assumption of the mayoral title and the activities which went with it, especially since some of the latter were thought to be inspired by the desire to build up a local machine for use in state elections.

SIDE-CORRIDOR POLITICS

Not to be outdone in any usurpation of managerial functions, moreover, one of the minority directors decided to set up for himself regular headquarters at the city hall. Having no right to the use of a regular office-room in the building, he homesteaded the end of an upstairs corridor and placed his desk therein. There he sat in state while favor-seekers of all varieties formed a queue down the hallway. Soon the place became a sort of Adullam's Cave, for as it is written in the Book of Samuel, "Everyone that was in distress, and everyone that was in debt, and everyone that was discontented gathered themselves unto him and he became a captain over them."

Here was a new wrinkle in the art of helping a city manager govern his city. Lobbyists have traditionally functioned in the side-corridors, and aldermen have been known to whisper in darkened hallways, but communities with the city manager form of government have been almost entirely free from such troublers in Israel. The other directors should have put a speedy end to this travesty but they let it continue without interference.

Under such conditions the city manager soon found himself divested of the initiative in city administration that was supposed to be his. Business came before the board without his advice or consent, sometimes even without his knowledge. Occasionally, at meetings, some of the directors had so many projects to present, and so much to say about them, that the items placed on the agenda by the city manager were never reached at all. Gradually the people of the city awoke to the fact that they no longer had city manager government in anything but name. A mayor and a board of aldermen, both of them functioning in the good old-fashioned way, were getting things right into their own hands. Given a fair chance and a little time they might anchor themselves and their methods beyond much chance of dislodgment, for the Pasadena charter contains no civil service provisions. So it seemed essential that those directors who were creating the most trouble with their corridor politics should be ejected from office without delay by means of the recall procedure.

DIFFICULTIES OF THE RECALL

But this was easier to say than to do. Two or three members of the board had been trying to promote harmony and get the city's business efficiently done. They had protested against the incessant turmoil and had tried to bring the other directors into agreement on various urgent questions of municipal policy, such as the matter of developing a new source of water supply. Should these directors be recalled along with the rest, or should an endeavor be made to single out the ones who were most at fault? The former plan would inevitably seem unjust while the latter would give a recall election the appearance of being a factional fight.

Another practical difficulty was presented by the charter provisions relating to recall signatures. These provisions required that a recall petition, in order to be valid, must be signed by qualified voters numbering at least 25 per cent of the vote cast at the last municipal election. The city's law department ruled that there must be a separate petition for each director whose recall was sought, that is, seven petitions in order to secure an election on the recall of the whole board. This would require at least eighteen thousand individual signatures—no small undertaking, as can easily be imagined.

A CIVIC ORGANIZATION INTERVENES

Now it happened that shortly after the municipal election of May, 1931, a small group of citizens had gathered to discuss the municipal situation. More especially they were concerned over the lack of public interest shown in the campaign which had just come to a close. It was their feeling that some kind of citizens' organization should be formed to stimulate the interest of the electorate by monthly discussions, and likewise to help bring out the vote on election day as well as to keep a sharp eye on current happenings at the city hall. Steps were therefore taken to form such an organization by inviting a widely-selected list of men and women to constitute its membership. These came together, elected their officers, decided that the organization should be called "The Pasadena Association," and adopted a general program. The objectives of the association, as set forth in this program, were to "promote economy and efficiency," to assist in bringing out the vote at municipal elections, to promote public discussion of major issues, to support capable candidates for office, to encourage them in constructive work, and in general to do what an effective civic organization is supposed to do but too often does not.

In a very short space of time the Pasadena Association drew into its membership a large group of men and women from all sections of the city and from every element in it. Efforts were put forth to make the membership broadly representative and these efforts were conspicuously successful. No large group so worthy to be regarded as a typical cross-section of the whole community had ever been organized in Pasadena before. Most reform organizations in American cities merely reflect the sentiment of a small constituency. Their numerical strength is often negligible. They have little or no contact with the bulk of the electorate. But this one was different. It contained members from every walk of life with the single exception of public officeholders and representatives of the press. These were intentionally omitted from membership as likely to find themselves embarrassed by some action which the Association might later take.

BUILDING A PRECINCT ORGANIZATION

The Pasadena Association was not organized to undertake the recall of anybody. At its inception there was no talk of a recall election because no reason for ousting anyone had then arisen. The association's first move was to build up machinery which would ensure a full expression of the popular mind at a forthcoming bond-issue election. The precincts were organized, especially by committees of women, and on the day of this bond election a notable showing was made. Nearly 50 per cent of the registered vote was polled, which was an unusually high percentage for a special election on a relatively non-controversial issue. For this outcome the credit belonged to the precinct committees of the association, and particularly to the women who did most of the work on these committees. The experience demonstrated that no Pasadena election need go by default if adequate methods of organization were utilized.

PASADENA ASSOCIATION ACTS

Meanwhile the friends of both factions in the board of city directors began to talk recall. It was evident that some move in this direction would be made, sooner or later, and the Pasadena Association held a special meeting of its membership to discuss the matter. The pros and cons of the question were canvassed without heat or personalities. One speaker after another expressed the conviction that although there were several worthy men on the board of city directors, the board as a whole was so constituted that it would never function satisfactorily. To apportion the blame among individual members did not seem practicable, nor would it serve any purpose. The charges and counter-charges of each group against the other were so tangled as to defy unravelling. To institute recall proceedings against some of the board, and not against the others, would merely intensify the factional quarrel and draw the Pasadena Association into it. Hence the organization decided, by an overwhelming vote of its membership, to make the recall campaign a clean-slate affair. Its officers were directed to find candidates, to procure the necessary signatures on recall petitions, and to conduct the campaign.

Getting a list of seven satisfactory candidates proved to be no simple task, but in the course of a few weeks it was accomplished. Every man on the list came into the fight reluctantly and at personal sacrifice. To all of them the appeal was made on a basis of civic duty. The association unanimously endorsed them at a large and enthusiastic meeting of its membership, asking from them no pledge but that of giving the city manager a chance to do his work without unreasonable interference.

Then the recall signatures were gathered, partly by a house-to-house canvass and partly by placing the petitions in stores and other business establishments. Most of this work was done by volunteers. The petitions were promptly filed, checked up, and found to be sufficient by a wide margin. After the city clerk's certification of the petitions had been made, the directors proceeded to fix the date of the recall election for the Monday after Christmas, this being the latest date possible under the charter and a very inconvenient one for everybody but themselves.

In most city charters which permit the use of the recall it is provided that the recall petitions shall also nominate the opposing candidates. This is not the case in the Pasadena charter, hence it became necessary to procure signatures on separate nomination papers. It also made possible the nomination of additional candidates, and the friends of the minority directors proceeded to complete their slate by nominating such candidates for three of the districts which were represented by majority directors. This made the contest a three-cornered one as respects some of the districts.

THE RECALL SUCCEEDS

The weeks immediately preceding the Christmas holidays do not constitute a good time for electioneering, in Pasadena or anywhere else. Nevertheless, the campaign was a lively one, and on the whole it was conducted in a dignified way. Perhaps its most notable feature was the thoroughness with which the Pasadena Association and its new ally, the Citizens' Recall Committee, were able to perfect their organization in the 141 precincts of the city. This work was not done by experienced politicians but, for the most part, by men and women whose experience had been in social welfare activities. They were workers who knew the art of card-cataloguing and realized the importance of careful attention to minor details. Their methods of operation deserve the attention of municipal organizations in other communities.

First, the voters in each precinct were divided into five or six units, and each unit was entrusted to a precinct worker, usually a woman. More than 750 precinct workers were recruited for this purpose. Each received a little book giving the names and telephone numbers of the voters in her unit. A master book, with similar information was provided for each precinct captain. During the morning of election day these workers were directed to contact their lists of voters by telephone or by personal call in homes where there were no telephones. These calls were made irrespective of the voter's probable attitude at the polls.

Supplementing these precinct workers, however, was a follow-up organization composed mainly of men, about 400 of them. This body swung into action about noon. In each precinct they checked the already-polled vote against the names which had been signed to the recall petitions and to the nomination papers of the association's candidates. Then they concentrated on such of these voters as had not come to the polls. At 1:30 P.M. and again at 4:30 they rechecked the vote and reported to precinct headquarters where telephones were kept busy and where automobiles were stationed for the purpose of ferreting out the stay-at-homes.

Despite a heavy rainstorm which continued throughout the entire election day, this machinery functioned with amazing effectiveness. The total vote was more than 50 per cent above that polled at the last municipal election. As for the outcome, it was a landslide. The entire seven candidates of the Pasadena Association were elected by large majorities. Every member of the old board was defeated in every district of the city, irrespective of the faction to which he belonged.

SOME LESSONS OF THE EPISODE

The episode carries its lessons. One of them is the unreadiness of the average voter to tolerate more than a certain amount of discordance, dissension, bickering and squabble on the part of those whom he has chosen to be his representatives. The racket gets on his nerves after a while. There is, of course, an element in every community which gets a great thrill out of aldermanic spats, but it is by no means so numerous as the politicians imagine. The backbone of the American municipal electorate is made up of men and women who have a sense of civic decency. They will rarely vote their approval of scrimmage government when the issue is fairly presented to them as it was in this instance. Nor will they scruple to make much distinction between those who are to blame and those who are not. It was unfortunate that some upright and well-intentioned officials had to be ousted in this case, but the voters wanted a new deal and sacrificed them to that desire.

A second lesson lay in the disclosure of the popularity which the city manager form of government possesses in the minds of the voters. The fundamental issue in this election was not the cessation of inharmony among the directors but the preservation of the managerial plan. Rightly or wrongly a great many Pasadena voters believed that an attempt was being made to scuttle that plan, and they resented it. However cordially the politicians may dislike it, the city manager form of government appears to be approved by the silent voters, especially in the residential type of American city.

ANTI-RECALL PHILOSOPHY

Attempts were made to becloud the issue, of course, and the Pasadena campaign drew out some interesting tidbits of anti-recall philosophy. One was the argument that the people should never recall a whole city council but only a part of it, because continuity is an important desideratum in public office. Another contention was that officeholders should not be recalled for inharmony or incompetence but only for outright malfeasance or corruption. Considerable opposition to the recall came from one influential quarter on the ground that its success would "place a stigma on the recalled directors for the rest of their lives." In the view of the outcome one can hardly look upon this oft-reiterated contention as having done a service to the directors concerned. One vehement patriot took the stump to proclaim that the recall is nothing but an "un-American, undemocratic, unethical device anyhow." This was going a long way, in view of the fact that the recall is a native son of California, having been born in the Los Angeles city charter of 1902. And as in all such campaigns there were innuendoes about "sinister influences" behind the recall movement and the attempt of vested interests to get control of the city in order to thwart public ownership of the utilities. None of this propaganda seemed to get very far with the voters.

THE WOMEN DID IT

Another lesson of the upset was provided by the hundreds of women workers who were largely instrumental in bringing it about. They showed a skill and persistence which argues that women ought to replace men in considerable degree when municipal election campaigns are being planned and fought. Women have a very acute sense of what is running in the minds of the populace. To a much greater extent than the logically-minded business men who usually take charge of reform campaigns they know how to establish a short circuit between themselves and the average voter's intelligence.

Storm Warnings in New York City's Finances

An unsympathetic bond market disturbs the complacency of New York's city government

BY JOSEPH D. McGOLDRICK *Columbia University*

Mayor Walker is ever impatient with those who would criticize the conduct of public business in New York City. It is strange that one so sensitive about the city's reputation should himself have called national attention to its present difficulties. New York is in no financial peril. It has yet to reach the head of the toboggan down which Chicago and Philadelphia have slid. Its recent difficulty was simply that of holding a bond sale in a saturated and unenthusiastic market. There is no question about the city's present financial soundness. It has lived riotously, but it is fortunately still rich.

For some time Comptroller Berry has been disturbed over the recklessness with which the city administration has been promising public improvements of all sorts. He has had on the walls of his inner office a huge chart of these projected enterprises. They included such items as the completion of the new city subway system, the building of a second, the acquisition of a water shed at Delaware Water Gap, the 38th Street tunnel and another to Staten Island, school buildings and a wide variety of other things. The total of these reaches the staggering sum of two billion dollars. The comptroller alone in the city administration had realized that it would be no easy matter to dispose of a billion and a half of this city's bonds, even in the most bumptious boom. To do so within the next few years would be clearly impossible.

SUDDEN FINANCIAL EMBARRASSMENT

The day of reckoning arrived unexpectedly. The city suddenly found itself not bankrupt but embarrassed. There was no question of its solvency, but it found itself facing an unfriendly bond market. The city's long- and short-term securities have always been premier investments. The latter in particular always found a ready market in the vast commerce of the city. As recently as September the city was boasting that its sixty-day notes were salable at interest of less than 2 per cent. In financing its capital improvements the city first sells short-term notes in small quantities to pay bills as they are presented. From time to time, usually not more than once or twice a year, a bond sale is had to refund these notes. Long-term bonds are called in New York *corporate stock*.[1] Another type of short-term note called *revenue bills* are sold to anticipate tax payments. Since taxes are paid in May and November the city must operate from January to April and from July to October on borrowings of this sort. The city also has two groups of one-year obligations called *tax notes* and *special revenue bonds*. Provisions must be made for their redemption in the next year's city budget.

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[1] See *The Finances and Financial Administration of New York City.* Columbia University Press, 1928, pp. 29–34.

The new year opened with the city having $76,000,000 in notes about to mature and needing fully $150,000,000 to meet its budget until May 1. The notes required the sale of long-term bonds which under the charter may not be sold for less than par and may not bear interest at more than 6 per cent.

The bankers insisted that it would not be easy to float such an issue. Mayor Walker had some difficulty in realizing the seriousness of the situation in which he found himself. His first response was a display of pyrotechnics about starving the unemployed, increasing subway fares, usurious interest rates, and other matters even less relevant to the central issue. For a moment it looked as though he had put the bankers to rout. Though nettled by his attack and certainly under as much necessity as he of rescuing the city, they remained calm and quietly applied their pressure.

BANKERS APPLY PRESSURE

One can only speculate as to what was discussed at the numerous private conferences held during the two weeks of uncertainty. The bankers would have us believe that they wanted only a general promise of economy and prudence. They were, they insist, unwilling to assume to dictate to the city as to how its business should be conducted. Having satisfied themselves as to the city's good intentions an accord was satisfactorily arranged. The state legislature was prevailed upon to intervene in dramatic haste with a charter amendment permitting city notes (*corporate stock notes*) to be issued for maturities up to five years to an aggregate amount of $200,000,000. An issue of $100,000,000 of these was sold at once to the bankers at 6 per cent. It was eagerly oversubscribed and was selling at a substantial premium within a few hours. The notes have been used to refund the notes maturing at present. The bankers promise to take the additional $100,000,000, or as much of it as may be needed. They have agreed further to stand by the city with a revolving credit fund of $150,000,000 to meet the city's current needs.

The city, on its part, through its board of estimate adopted a resolution declaring:

> That the City Administration shall forthwith undertake measures to curtail and postpone its plans and undertakings; shall seek in every way to reduce the cost of its present activities, and shall endeavor to limit new projects to those which are self-sustaining in order that the city may more effectively employ its resources in serving the vital needs of the people;

And further:

> That studies will be promptly undertaken with the purpose of developing new sources of revenue and of determining what present activities of the city may be put on a totally or partially self-supporting basis; further that each department head is hereby directed to submit his plan in accordance with the terms of this resolution and as promptly as possible to make report to the Mayor on such suggestions or plans.

The *New York Times* reported that "the board of estimate's action in adopting this resolution was regarded in financial circles as a complete victory for the banking community." The terms of Mayor Walker's capitulation are certainly not revealed in the board's resolution unless the concluding paragraph is to be taken as indicating an opening of the five-cent fare question which for thirteen years has been sealed by a conviction upon the part of all politicians and most independent observers that political death awaits anyone who dares to suggest even the possibility of an increase.

There are many other matters relating to the city's business which the bankers might well have drawn to the mayor's attention if they were prompted by a concern for the taxpayer's purse or the city's credit. It may not be amiss therefore to consider some of these aspects of the city's financial status even though they received little heed in the negotiation by political officials bent on preserving the vast patronage of the great political machine in America and bankers preoccupied with an effort to turn the situation to the advantage of the subway companies in which they have a heavy stake.

PUBLIC IMPROVEMENT DREAM SHATTERED

In the first place, the city will have to awaken from the improvement dream it has been enjoying. At least one half of its program must be indefinitely postponed. It may well be that all of the items will ultimately justify themselves, but the city cannot now think of a program that would double its debt. The city's procedure for initiating improvements of this sort is woefully haphazard. There is an urgent need of a more orderly method if an intelligent and feasible program is to be developed for meeting these needs over a ten-year period. In the past the board of estimate has readily yielded to the urging of any and every neighborhood delegation that has come before it. It has begun the tri-borough bridge and promised the 38th Street tunnel without even calculating their cost or considering them in relation to schools, water supply or other pressing needs.

As a first gesture of retrenchment the board of estimate has now placed all pending requests for improvements to be financed by borrowings in what the mayor chooses to call "a suspense calendar." They total $125,000,000. They will presumably remain in suspense until the financial stringency relaxes. There is no classification of these suspense items as urgent or non-urgent. It would be folly to delay some just as it would be reckless to push others at this time. Nothing is said of the $144,000,000 of outstanding contract liabilities which will need to be financed this year. To this must be added $50,000,000 in land liabilities. The total actual requirement for these contract and land liabilities during 1932 is estimated at $167,000,000. This with the $76,000,000 of outstanding corporate stock notes would bring the city's gross needs for 1932 to $243,000,000, or $43,000,000 more than the emergency act provided. A further $46,000,000 will be needed for tax note and special revenue bond obligations. There is also a total of $213,000,000 of items approved by the board within the last six months on which no work has been done. All of these might well be reviewed before the city adopts a revised program within its financial capacity.

EXPERIENCE WITH PAY-AS-YOU-GO

This raises the deeper question as to where the city's borrowing policies are leading it. The city today has a huge debt of $1,875,000,000. This is more than twice the figure at which the debt stood when the "pay-as-you-go" principle was accepted sixteen years ago. Moreover, the burden of this debt in interest and sinking fund charges now amounts to $160,000,000 in city budget. This is substantially in excess of the amounts which the city is borrowing annually.

The "pay-as-you-go" principle was introduced in 1915 in New York under circumstances somewhat similar to those now confronting the city. With the outbreak of the war in Europe great quantities of stock held abroad were dumped into the market. In such a condition the city was unable to sell its bonds. The bankers who came to the city's rescue made as a condition of their aid the adoption of the "pay-as-you-go" principle. An amendment designed to limit the use of long-term bonds to self-supporting projects was accordingly written into the charter. The way in which that provision has been whittled away by amendment is interestingly revealed in the present state of its text:

> The city of New York shall not expend any part of the proceeds of sales of corporate stock or serial bonds for other than revenue-producing improvements, *except* for the erection of additional wings, buildings and dormitories to city-owned hospitals already erected, for alterations, additions and improvements to city-owned hospitals already erected, and for school buildings and the acquisition of sites therefor, and the acquisition of houses for school purposes, and the furnishing and equipment of any such buildings or houses, when first erected, or acquired and *except* for the erection and equipment of the buildings of the American Museum of Natural History and the Metropolitan Museum of Art, which, by charter and contract with the city, is an adjunct of the educational system of the city, and *except* for the erection and equipment when first erected of buildings for garbage and rubbish disposal plants and dumps, and *except* the sum of $6,000,000 for the purpose of erecting a municipal building in the borough of Brooklyn, and *except* for the erection and equipment of the central library, in the borough of Brooklyn, and *except* for the completion of the erection and equipment of sections designated F and G on architect's plans for the Museum of the Brooklyn Institute of Arts and Sciences, and *except* a sum not exceeding $3,500,000 for the erection and equipment of a central court building in the borough of Brooklyn, and *except* for the erection and equipment of the New York City penitentiary on Rikers Island, and *except* the sum of $25,000,000 for the purpose of acquiring new sites for parks and playgrounds in the said city.

Not only did the bankers ignore this but, as we shall presently note, they have forced the city to abandon its retirement of subway debt by short-term financing. Except for what now appear comparatively small sums such as repaving, the "pay-as-you-go" restriction is completely a dead letter. Between 1916 and 1931 the city financed $183,000,000 through tax notes and directly in the budget.

THE PATH OF RETRENCHMENT

The administration did not retrench so much as a dollar in making up the 1932 budget. Scorning all pleas of economy and branding all warnings as efforts to impair the city's credit, the administration voted the largest budget in the city's history—a budget which would be still larger if many items had not been deceptively excluded from it. True, the criticisms leveled at the budget were hopelessly inept and amateurish. The fact is that there does not exist outside the city government a body competent and prepared to criticize the city's budget.

Economy is to be had in New York not from the striking out of large items but from a painstaking and painful pruning of a myriad of minor ones. Such a gigantic task no civic or commercial organization is prepared to assume. They are not equipped for it; they could not hope to finance it; and they would hardly be willing to face the unpopularity which such a necessary public service would entail. Nevertheless, what the city needs forthwith is a thoroughgoing housecleaning.

New York City's budget has grown luxuriantly since 1920. The present total is more than double the figure of that year. This was made possible by an amazing mushrooming of real estate values. But that came to an end in 1929. The city's budget, on the other hand, has continued to grow. Budget making during these dozen years has been a delightfully simple process. It has consisted of putting onto the tax rolls every dollar of increasing values, multiplying the increase by the old tax rate to see how much it would produce in new revenue, and dividing this increase among the eager departments. In each of four successive years it was possible to raise assessed valuations a billion dollars. This, at the prevailing tax rate, meant more than twenty-five millions in additional spending power each year. In two of these years, the figure rose to thirty-five millions. All this was greedily absorbed in the ever growing budget.

This era of ease has come unceremoniously to an end. We have entered a period of stationary or subsiding real estate values. Budget making will henceforth involve hard work and headaches. If tax values were at all near to market values in 1929, they must be substantially in excess of those prevailing today. Certain city services must continue to grow. If a reasonable capital program is persisted in, the debt service, too, will continue to grow. The problem will be one of readjusting department needs within a fixed or shrinking budget total. The search for new sources of revenue will not offer a short cut. The city's miscellaneous revenues that constitute its general fund are $50,000,000 higher than they were ten years ago. The city is receiving $5,000,000 from subway operations that it was not receiving then. But the sums demanded of real estate have increased at an even faster rate.

The 1932 budget is not only the largest the city has ever faced but it is replete with deception. The sums anticipated from subway receipts are far greater than the facts warrant. The administration deliberately refused to provide for street paving or for the additional Brooklyn judges so that these expenses are being financed by borrowing. This will mean that next year's budget must include provision for repaying this in addition to meeting its own costs. Other items such as a $12,000,000 surplus in the rapid transit sinking fund and $2,000,000 due from the state on last year's old age pension payments were subtracted in making up this year's total expenditures. Expenditures thus concealed will certainly return to plague us next year.

Retrenchment is a task from which even the most courageous would recoil and our administration leaders commonly display little courage. Comfortably entrenched behind the huge majorities with which they were returned in 1929, they doubtless feel thoroughly secure. But may not these majorities melt away as have many other seemingly secure things in these soul-trying times?

IS THE CITY THREATENED WITH A DEFICIT?

One may ask, therefore, whether New York is likely to be faced in the future with an unbalanced budget, such as has brought misery to Philadelphia and countless smaller cities. About 30 per cent of New York City's $700,000,000 budget is met from various miscellaneous sources. The remaining 70 per cent is obtained from a levy upon the real estate of the city. Of the miscellaneous revenues, part are earmarked to special purposes. Bridge revenues, for example, are shown in the department of plant and structures budget, and the pay of certain forces is met from these revenues. Other sums are shown as coming from the Interborough Company under the dual contracts. These are deducted from the amounts necessary to meet the outstanding rapid transit indebtedness. The total of such revenues shown in the budget and subtracted from it, amount to $66,000,000. This brings the $697,000,000 budget down to the $631,000,000 announced by the board of estimate. When on the first Monday in March, the board of aldermen proceeds to fix the tax rate, the comptroller will report to it an estimate of the general fund which includes all other miscellaneous revenues of the city. This figure, now tentatively estimated at $114,000,000, will be deducted from the $631,000,000, and the difference, let us say, $517,000,000, will be asked of the taxpayers of the city.

A deficit can arise in either of two ways. In the first place, the miscellaneous revenues may not come up to expectation. This is particularly true of that portion of the miscellaneous revenues which is shown in and directly deducted from, the city budget. These estimates are made in September. They are not the work of the finance department. One would expect them to be less dependable than the February estimate of the general fund which is made when the completed returns for the year 1931 are available. It is possible that the miscellaneous revenues of this class may prove far less than the sums deducted in the budget. The shortage on this account might conceivably run to several million dollars.

That this is not an idle speculation may be judged from the fact that the 1931 general fund receipts were $20,000,000 below the estimate on which the tax budget was based. The state income tax for example, which had been yielding $27,000,000, suddenly fell off to $13,000,000. The state tax on mortgages in which the city also shares was likewise halved. Virtually every item in the city's list of miscellaneous revenues showed the effect of depression. Even on sums that do not go into the general fund there are decreases. For example, subway revenues which had been estimated at $8,130,000 fell to $6,400,000. The effect of such decreases is virtually the same as deficiency in the general fund. With its miscellaneous income impaired to the extent of $20,000,000 the city was able to balance its budget only by resorting to the very dubious policy of draining off the surplus assets of the sinking funds. As a result the city which had begun the year with a $56,000,000 cash balance ended it with a balance of but $32,000,000. Despite this, the 1932 general fund was estimated at $125,000,000 in making up the budget. On this basis a tax rate of $2.53 was promised. The February estimate of $114,000,000 has necessitated a $2.59 tax rate. The sinking fund surpluses are no longer available for rescue if this falls short.

The second source from which a budget deficit might arise would be tax delinquencies. The city has fared well to date in the collection of its real estate tax. This has been due to several circumstances. Perhaps the most conspicuous among these has been the fact that the bulk of this city's population lives in apartment houses, so that a landlord stands as a buffer between the unemployed rent payer and the city treasury. Another factor has been the insistence which mortgage holders place upon the prompt payment of taxes which are a first lien. If general economic conditions are not soon better one may query whether tax payments will not be more difficult in 1932 than they have been in 1931. The 1932 budget does, it is true, carry an item of $5,750,000 for taxes levied prior to 1931 and now deemed uncollectible. Even should the city pass through the present calendar year without embarrassment it is certain to have to face the succeeding year with great caution.

IS THE FIVE-CENT FARE AT ISSUE?

Very early in the conversations with the bankers it was delicately suggested that the city might put the services which it renders on a paying basis. The mayor is reported to have seized upon this as a demand for an increase in the subway fares and grown quite irate. It was pointed out that it could as well refer to bridges, ferries, water and docks. The opinion prevailed, however, that the mayor was correct in his inference that subway fares were foremost in the bankers' minds and his newly acquired open-mindedness on the whole matter has been construed as the beginnings of conversion to a fare increase.

The city does, it is true, have substantial investments in various public enterprises. The more important portions of its outstanding debt incurred for services commonly classed as public utilities include the following:

Rapid transit	$730,229,889
Water supply	356,748,328
Docks	170,952,500
East River bridges	64,800,000
Ferries	14,700,000

The accounts of the city are not kept in such a manner that one can determine to what extent any of these enterprises are self-supporting. The debt service items are not segregated and operating costs are obscured in the budgets of the departments. The comptroller is reported as having declared the water revenues insufficient by several millions to meet the operating costs of the department and the charges on the water debt. A deficit of a million dollars on the municipal ferries is claimed by the department operating them. Bridge tolls were abolished by mayoral fiat twenty years ago and could be as readily restored.

Any efforts to increase the charges for these services would occasion sharp controversy but nothing will do more to befog the issue and arouse public emotions than the suggestion, that transit fare be tampered with. The city owns all of its subway lines. Those now in operation were turned over in 1912 to two companies who were given contracts providing for a five-cent fare.[1] After operating costs are met the companies receive preferential payments amounting to $14,000,000 in the case of the I.R.T. and $10,000,000 in the case of the B.M.T. Revenues above these sums go to the city. Since the subways were built with city bonds, if the returns are insufficient the city must provide for the interest and sinking funds on these bonds from taxation. From 1919 to 1929 nothing was received and the costs amounting to some $13,000,000 annually were borne from taxation.

The five-cent fare is costing the taxpayers of the city not more than $10,000,000 annually at the present time. A seven-cent fare would increase subway revenues by $25,000,000. All of this, except in so far as costs were increased to improve service, or the money evaporated on its way from the company's turnstiles to the city's treasury, would belong to the city. The Interborough's accumulated deficits were paid off several years ago and only $5,500,000 remains to be paid to the B.M.T. The seven-cent fare would of course yield, perhaps, $6,000,000 to each on their elevated properties. In view of their present decrepit state, one may query the justice of this to their riders.

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[1] See Rogers, Dickinson and McGoldrick, *The Cost of Rapid Transit to the City of New York* (Mayor's Committee on Taxation, 1931).

The important point is, however, that the $25,000,000 which might thus filter to the city's treasury from the increased fare would be a small fraction of the half billion the city collects annually from real estate; nor can there be the slightest assurance that this money would not be speedily absorbed in the expansion of budgetary activities.

THE DELANEY PLAN

Attention also focuses on the Delaney plan. This means of assuring the five-cent fare on the city's new subway lines has always stood as a mockery of the pay-as-you-go idea.[1] The statute under which the new city subway system is being built permits them to be operated at a five-cent fare during the first three years, but beginning with the fourth year they must be self-supporting. With the high construction cost it is estimated that nothing less than a ten-cent fare would meet this requirement. The chairman of the board of transportation, Mr. Delaney, therefore sponsored a scheme to retire a large portion of this cost before the fourth year of operation through the issue of four-year bonds. Five issues of $52,000,000, a total of $260,000,000 have been made. It was hoped to thus reduce the subway construction debt to an amount which could be carried by the proceeds of a five-cent fare.

It is, of course, a bit incongruous for the city to build schools with forty-year bonds and subways with four-year ones, but the effect upon the city's total debt is the same. The arguments Mayor Walker makes against piling up interest charges come with little grace from an administration which has been busy scuttling the "pay-as-you-go" amendment. On the other hand, the bankers could hardly propose to substitute fifty-year bonds for the outstanding four-year Delaney plan issues. To do so would be equivalent in its effect to meeting current expenditures for emergencies with fifty-year bonds.

The amortization appropriation for these four-year bonds reached $49,000,000 in the 1932 budget. This would be its maximum as the first issue matures this year. It would then be possible by appropriating $49,000,000 annually for sinking fund and nine or ten millions more for interest to issue $52,000,000 of these bonds each year.

It is not enough for the bankers to commission a well-known firm of accountants to audit the city's books. Chief Accountant MacInness keeps first rate books. They were doubtless in perfect order. What such an examination would not find, however, is the waste that runs through probably every department of the city.

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[1] *Cost of Rapid Transit to the City of New York*, p. 33 ff.

What Municipal Home Rule Means Today

III. Michigan

In Michigan home rule exists by legislative liberality rather than by constitutional grant

BY ARTHUR W. BROMAGE *University of Michigan*

Ever since the revised constitution of 1908 and the subsequent home rule act of 1909, Michigan has been considered as a state in which cities enjoy home rule. But home rule in Michigan exists by legislative liberality rather than by direct constitutional grant. This has been the common observation of many authorities in the field of municipal government. Professor H. L. McBain in his substantial contribution to the literature of the subject called home rule in Michigan a "matter of legislative grace rather than of constitutional right."[1] That was in 1916. A series of court decisions since 1916 now makes it possible to evaluate more fully the legal status of cities.

THE LEGAL POSITION OF CITIES

The revised constitution of 1908 stipulated that, "The legislature shall provide by a general law for the incorporation of cities" and that "under such general laws, the electors of each city and village shall have power and authority to frame, adopt and amend its charter."[2] Thus was the way opened for the home rule act of 1909 and the numerous amendments thereto. This home rule act or general law of incorporation outlines mandatory charter provisions, permissive powers, and finally powers which no city may exercise.[3] The original home rule act was anything but illiberal in the delineation of municipal powers, but legally the cities were still subject to legislative control.

In 1919 the supreme court in *Kalamazoo* v. *Titus* approached the problem from this altogether proper angle. Kalamazoo had prescribed by ordinance the rates at which gas should be furnished to consumers. Although the home rule act granted to cities the power to provide for the use, regulation and control of their streets by public utility companies, it did not delegate the power to fix rates. The supreme court ruled that the power to fix rates might not be implied. It was not expressly delegated and was therefore non-existent so far as municipalities were concerned. The court reviewed the home rule clauses of the constitution and came to this significant conclusion:

> The impressive thing about these constitutional provisions is that they recognize and affirm the theory that cities owe their origin and their powers to the legislature. And while

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[1] H. L. McBain, *The Law and Practice of Municipal Home Rule* (1916), p. 620.

[2] Art. VIII, sec. 20 and 21.

[3] The most recent compilation of the home rule act and amendments is in *Compiled Laws* (1929), sec. 2228–2274.

cities may refer power to do some things, as, for example, power to acquire certain public works, directly to some of these constitutional provisions, it must be admitted that all of these provisions should be considered with reference to the fact that legislative power is vested in the legislature and that the constitution recognizes as former constitutions have recognized, the general control of the legislature over cities. That the legislative power ought to be exercised in such manner as to preserve the right of local self-government is a doctrine which in application in no way modifies or qualifies the idea of the general legislative power of creation and control.[1]

After the sweeping doctrine laid down in *Kalamazoo* v. *Titus*, no doubt remained as to the general legal position of cities. Much remained to be done in the interpretation of the home rule act. In so doing the supreme court has frequently made use of the justly famous rules of Judge Dillon. *Bowler* v. *Nagel* (1924) is one of the best illustrations of this practice. Detroit amended its charter to authorize a civil service system and a retirement fund for employees. The home rule act which listed "a system of civil service" among the permissive charter provisions, was silent as to pension systems.[2] To sustain the amendments to the Detroit charter the supreme court fell back upon the doctrine of implied municipal powers as derived from the express provisions of the home rule act. Said the court:

> The power must, of course, be found in the legislative enactment. It need not, however, be delegated in express words. . . . It is sufficient if it be "necessarily or fairly implied in or incident to the powers expressly granted" or "essential to the accomplishment of the declared objects and purposes" as set forth in the enactment. 1 Dillon on Municipal Corporations (5th ed.), sec. 237.[3]

In this instance the supreme court found it possible to sustain the retirement fund as an implication from the express power to provide for a system of civil service.

The three strands which integrate the web of decisions by the Michigan supreme court in interpreting the home rule act are Dillon's familar rules of express, necessarily implied or incidental, and essential powers. Nowhere has the supreme court more clearly admitted this than in *Barnhart* v. *Grand Rapids* (1926). The court therein ruled: "The powers of a city are limited to those expressly granted, those necessarily implied in or incident to those granted, and those essential to the declared objects and purposes of the corporation."[4]

Just one more example. The city of Jackson changed its fiscal year from January 1 to July 1. By charter amendment the city made it legally possible to have a six months' budget and tax levy to carry over to the new fiscal year. But the home rule act stipulated that each city charter provide "for an annual appropriation" and "for annually laying and collecting taxes."[5] The legality of the six months' budget and levy was carried to the supreme court. This case, *Jackson City Commission* v. *Hirschman* (1931) is significant as one of the most recent interpretations of the home rule act. The supreme court pointed out that a permanent policy of six months' appropriations would have been specifically inhibited. Nevertheless, since the right of cities to change their fiscal year might be implied from the home rule act, and since a six months' budget and tax levy was a temporary necessity to effect a modification of the fiscal year, the court sustained the Jackson charter amendments. In so doing the justices emphasized the liberality of the home rule act and their intention to interpret it in a broad manner: "The purpose of the legislative enactment was to give the city a large measure of home rule. It relates to matters strictly municipal. Considering its purpose, it should be construed liberally and in a home rule spirit."[1]

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[1] Kalamazoo v. Titus, 208 Mich. 252 (1919), at p. 265.

[2] 1 *Comp. Laws* (1915), sec. 3307, subd. r.

[3] Bowler v. Nagel, 228 Mich. 434 (1924), at p. 440.

[4] 237 Mich. 90 (1926), at p. 96.

[5] 1 *Comp. Laws* (1929), sec. 2230, par. f. and g.

Thus, in 1931, Michigan cities still derived their powers from legislative enactment. It is only fair to emphasize, however, that to date the home rule act has been broad in its grants, and construed by the courts in accordance with a home rule spirit. Home rule in Michigan is a matter of tradition and custom rather than of constitutional guarantee. But precedent has been piled upon precedent until the legislature and the courts will find it difficult to turn back from the existing policies and decisions. This is a rare situation in an American state, to have custom and tradition run before the letter of the law.

FRAMING, ADOPTING AND AMENDING CHARTERS

Equally as important as the legal status of cities is their utilization of the constitutional power to frame, adopt and amend their charters. No longer is a municipal charter a special act of the legislature. The well of local initiative has been released in charter drafting. On May 1, 1931, Michigan had 135 incorporated cities. Of this number, 81, or 60 per cent, had taken advantage of their power to frame and adopt a home rule charter. Of these 81 home rule cities, 41, or 50.6 per cent, had adopted city manager charters; 19, or 23.4 per cent, had the commission plan; and 21, or 25.9 per cent, had mayor and council charters.[2] There were in addition seven home rule charters no longer in effect, having been superseded by subsequent home rule charters. This makes a grand total of 88 charters. The home rule cities range from Detroit with a 1930 population of 1,568,662, to Pinconning with 826 inhabitants. Here is a distinct gain from the old system of heterogeneous, special act charters. The technical advances of municipal administration during the past two decades are embedded in many of the charters of the new order.

As a matter of fact, the development of city manager charters in Michigan under the home rule act has not been uncontested. The home rule act of 1909 required that each city charter provide "for the election of a mayor who shall be the executive head."[3] Under the home rule charter of 1916 the city commission of Grand Rapids had power and authority to select a mayor. For ceremonial purposes and in so far as required by the state law the charter designated the mayor as the executive head. Yet real executive power was lodged in a city manager.[4]

The supreme court in *Kopczynski* v. *Schriver* (1917) upheld the manager charter of Grand Rapids, not upon any comprehensive legislative grant of home rule powers, but upon a technical interpretation of the word election. In substance the court ruled that the charter did provide for the "election of a mayor," although he was selected by the commission. In the court's own words: "If the home rule act was intended to restrict the election of a mayor to a popular election, it would have been easy to say so. We do not think the charter provision as to the election of a mayor is illegal."[1]

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[1] Jackson City Commission v. Hirschman, 253 Mich. 596 (1931), at p. 599.

[2] These statistics were compiled by the author from the official files of home rule charters at Lansing. For detailed analysis of home rule charters in Michigan as of January 1, 1928, cf. Paul Webbink and W. R. Maddox, "Home Rule Charters in Michigan," in *Mich. Mun. Rev.*, vol. 1, p. 25 (Feb. 1928).

[3] Mich., *Public Acts* (1909), No. 279, sec. 3.

[4] Grand Rapids, *Charter* (1916), secs. 54, 87, and 88.

By the grant of executive authority to a manager the court was unquestionably troubled. In precise language the home rule act called for a "mayor who shall be the executive head." But the justices insisted: "We do not feel called upon in the proceeding to decide whether the powers conferred upon the city manager conflict with those of the mayor." By a broad interpretation of the word election was the right of Michigan cities to freedom of choice as to their forms of government sustained. The liberality of the supreme court may be measured by McBain's statement in 1916 that "literally construed" the home rule act "might be held to necessitate that all charters should provide governments of the mayor and council type."[2]

The right to frame, adopt and amend their charters has meant much to the cities of Michigan. Whereas the structure of county government has remained in the rigid mold prescribed by the constitution, municipalities have seized the opportunity offered them by the home rule act and the *Kopczynski* v. *Schriver* case to make rapid strides toward manager government. The vast amount of worthwhile experimentation with home rule charters and forms of government has already been statistically demonstrated. Indicative of the legislative attitude was the 1929 amendment to the home rule act to the effect that a municipal charter might provide "for the selection of the mayor by the legislative body."[3] In this instance the letter of the law was made to conform to a substantial body of existing practice.

So much for the 81 municipalities of Michigan which have adopted home rule charters. What of those 54 cities which failed to exercise the privilege extended to them by the constitution and the home rule act? A majority of these municipalities are still operating under special charters granted by the legislature prior to 1908 with or without home rule amendments thereto. A minority of the 54 laggards are content with the general law for cities of the fourth class, *i.e.*, cities from 3,000 to 10,000 population. This minority, legally endowed with the power to adopt home rule charters, is content with the mayor and council form of government as handed down to them by the legislature in the fourth class city law. Obviously, these municipalities are in no sense home rule cities, and must be summarily dismissed.

A similar process will not suffice for the majority of these 54 cities. The majority, as already noted, are operating under special act charters. The constitution of 1908 as amended in 1912 permits cities operating under special act charters to amend them without framing and adopting a complete home rule charter. The files at Lansing of home rule amendments to special act charters give ample evidence of local initiative on the part of some of these cities that have not adopted home rule charters *in toto*. With few exceptions the special act cities are communities whose size and growth have not necessitated complete charter revisions. On the other hand, a few, notably Ann Arbor, might derive great benefit from the framing and adopting of a home rule charter of the manager type. The continual practice of patching up special act charters by home rule amendments is of dubious merit.

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[1] 194 Mich. 553 (1917), at p. 559.

[2] H. L. McBain, *op. cit.*, p. 610.

[3] Mich., *Public Acts* (1929), No. 126.

SPECIAL LEGISLATION PROHIBITED

Michigan cities have enjoyed under the home rule provisions of the constitution of 1908 and the home rule act of 1909 substantial benefits. In addition, they have had the protection of constitutional guarantees against special legislation. Whereas the legislature was allowed almost untrammeled jurisdiction in delineating the home rule powers of cities, it was inhibited from passing special acts without a local referendum. Under the terms of Article V, section 30:

> The legislature shall pass no local or special act in any case where a general act can be made applicable, and whether a general act can be made applicable shall be a judicial question. No local or special act, excepting acts repealing local or special acts in effect January one, nineteen hundred nine and receiving a two-thirds vote of the legislature shall take effect until approved by a majority of the electors voting thereon in the district to be affected.

Henceforth special acts were closely circumscribed. They must not be enacted where a general law was applicable; they must with few exceptions be submitted to a local referendum. Nevertheless, the legislative session of 1911 retained to some extent the spirit of special legislation and nine local acts were passed. Each one was subject to local referendum.

In reviewing special acts of the legislature the supreme court has definitely stood upon the avowed declaration of the constitutional convention that the intent of Article V, section 30, was "to eliminate the vast volume of local legislation."[1] The purpose of this section was to abolish legislative intrusion into municipal affairs by special enactment and to secure to cities the right to control their local affairs. With this in mind the supreme court has consistently declared unconstitutional special acts passed where a general law might have been applied.[2]

Moreover, with the passing of the years the legislature has lost much of its flair for special acts. In the legislative sessions of 1923, 1925, 1927, and 1929, the number of special acts dealing with cities totalled only four. Four special acts pertaining to cities in four legislative sessions indicates how greatly the legislature has desisted in recent years from its former practices. The game is hardly worth the candle when every special act with very few exceptions must be submitted to a local referendum and may very possibly contravene the requirement that no special act can be passed where a general act can be made applicable.

This is a large tangible gain over the situation which existed before 1908. Prior to that year a flock of special acts with reference to individual cities passed each legislature. The system of legislative deference to local bills introduced by local representatives opened the way for pressure groups to force acts through the legislature with reference to individual cities. On this score the cities of Michigan have gained immeasurably by the constitution of 1908.[3]

HOME RULE ACT AND GENERAL LAWS

Not only by amendments to the home rule act, but by changes in the general laws have the powers of cities been modified. These general laws often raise the problem of the extent to which they apply to home rule cities. In 1919 Detroit passed a zoning ordinance, although the power to zone was not expressly delegated by general act, nor did the home rule act contain such a delegation. After stating that the power to zone could not be implied from various sections of the home rule act, the supreme court in *Clements* v. *McCabe* (1920) ruled:

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[1] Cf. Common Council of the City of Detroit v. Engel, 202 Mich. 536 (1918), at p. 543.

[2] Cf. 1 *Comp. Laws* (1929), p. 212, for an authoritative review of the opinions of the supreme court.

[3] For an analysis of the situation prior to 1908, cf. R. T. Crane, "Municipal Home Rule in Michigan," in Ill. Mun. League, *Proc. of 4th Annual Conv.* (1917).

> The controlling test is whether by any adequate, definite provision in the constitution or general act passed pursuant to it cities have been vested with this evolutionary and comprehensive police power of zoning asserted here. . . . Assuming, but not deciding, that such power is by the constitution committed to the legislature, it has not by express grant in adequate terms delegated the same to cities.[1]

The next move was made by the legislature. By general law "the legislative body of cities and villages" was given the power to zone.[2] Concurrently, the legislature amended the home rule act to read that each city might in its charter provide: "for the establishment of districts or zones. . ."[3]

The question then arose—could a city functioning under a home rule charter zone without first amending its charter? The supreme court upheld the power of home rule cities to zone under the general law directly by ordinance and without a charter amendment which was a prerequisite under the home rule act. Said the court in *Dawley* v. *Ingham* (1927) with respect to the general law that the legislative body of cities and villages might zone by ordinance: "The permissive power granted by the statute was not an amendment to the charter, neither did it require adoption by charter amendment to authorize enactment of the ordinance.[4] In other words, here is an instance in which home rule is relatively meaningless. It is much easier for a home rule city to zone directly under the general law than to invoke the provisions of the home rule act.

This is all well and good. What, however, if the general laws and the home rule act are in conflict? Which then controls a home rule city? The home rule act as amended to 1929 provides that each city may have in its charter provision: "For the regulation of trades, occupations and amusements within its boundaries, not inconsistent with state and federal laws. . . ."[5] On the other hand, under the general laws of the state veterans have the right to "hawk, vend and peddle their own goods, wares, and merchandise within this state by procuring a license for that purpose" from a county clerk.[6] The attorney general has ruled in times past that veterans licensed under the terms of the act can peddle anywhere within the state including cities and villages "without further license authority from such cities and villages."[7] Recently the attorney general's office has called attention to the fact that "cities and villages have the right to insist upon licenses under local ordinances until the courts have passed upon this matter."[8]

This situation only emphasizes the general principle that cities have only those powers expressly granted to them either by the constitution or by legislative act and those which can be necessarily implied therefrom. There is no special sanction to the provisions of the home rule act. Careful articulation, therefore, of general law provisions to the home rule act is a prime necessity.

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[1] Clements v. McCabe, 210 Mich. 207 (1920), at p. 219.

[2] Mich. *Public Acts* (1921), No. 207.

[3] Mich. *Comp. Laws* (Supplement, 1922), sec. 3307, par. x.

[4] Dawley v. Ingham, 242 Mich. 247 (1927).

[5] Cf. Mich., *Public Acts* (1929), No. 126.

[6] *Public Acts* (1921), No. 359.

[7] Attorney General, *Report* (1923–1924), pp. 41–42.

[8] This statement was made by letter to the director of the Michigan Municipal League in 1931.

As a matter of law, home rule means to the cities of Michigan little more than the procedural right to draft their own charters and to be exempt from special acts of the legislature. Actually, it means much more. For example, great pressure was brought to bear on the Michigan legislature in 1931 to provide for review of municipal budgets by the state tax commission. Representative Culver's so-called Indiana plan as amended provided for the review of the finances of local units upon petition of three per cent of the taxpayers. Municipalities had to adopt the act by local referendum before they became subject to its provisions. Even this measure failed of passage in the house. The governor then warmly advocated the plan in a special message. The bill was reconsidered and passed by the house. It was finally laid low in the senate. Opponents of the measure maintained throughout that it violated the principles of home rule. Senator Rushton argued that it was unconstitutional because it attempted to strip cities, counties, townships and school districts of the right to govern themselves. Many political factors entered into the rejection of Culver's bill in the senate. But paramount among them was the opposition of the cities based upon the home rule principle. Thus was a general law, which would have made serious inroads into the principle of the home rule act, defeated.

CONCLUSION

Habit, they tell us, is the flywheel of society. For twenty-three years now, the mechanism has rotated around the home rule principle in Michigan. It would appear that Judge Cooley's declaration in *People ex rel. Le Roy* v. *Hurlbut* in favor of an inherent right of local self-government, was expressive of an underlying body of opinion in Michigan. This has been strengthened and augmented by the constitution of 1908. The precedent of relatively broad grants of power to home rule cities has been established. Formerly, the supreme court used Dillon's rules to interpret the powers of specific cities under special charters. Now the court utilizes Dillon's rules to interpret the general provisions of the home rule act as applied to all home rule cities. "Political experiment has not yet produced in this state, the autonomous city, a little state within the state."[1] Such is the language of the supreme court. Yet by the grace of the legislature and the wisdom of the court Michigan cities have enjoyed untold benefits from the home rule clauses of the constitution of 1908.[2]

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[1] Kalamazoo v. Titus, 208 Mich. 252, at p. 261.

[2] County government in Michigan presents an interesting contrast. Cf. the author's "The Crisis in County Government in Michigan," *Amer. Pol. Sci. Rev.*, vol. 25, no. 1, pp. 135–145 (Feb. 1931).

RECENT BOOKS REVIEWED

CITIZEN COLE OF CHICAGO. By Hoyt King. Chicago: Horder's, Inc., 1931. 158 pp. $1.50.

Mr. King, intimately associated with George E. Cole for thirty-five years and much of that time his secretary, writes a brief and popularly styled biography full of praise for a man who played a large part in the movements for governmental reform in Chicago from 1895 to 1930. Mr. Cole was a stationer by business and not a rich man, but he managed to find time to serve as president of the Municipal Voters' League and to fight corruption in Chicago politics for many years. Later, he was president of the Citizens' Association and held other offices with the Association and with the Legislative Voters' League and the Constitutional Convention League. His career started with ward politics and advanced through city, county, and township politics to state politics, but always his main interest was the government within the Chicago area and anything that affected it, whether controlled by state or other governments.

He stood at all times for honesty and sincerity in his dealings, backing the good candidate regardless of his affiliations. One deal is recorded wherein Mr. Cole agreed to use his influence against trying certain cases of township officials, if the other party would see to the passage in the legislature of a bill abolishing the corrupt and useless township governments. He felt that the end justified the means, but deals were not a usual part of his strategy, which involved chiefly straightforward, courageous, and well-nigh endless fighting for the causes he espoused. Though never a public office holder, Cole made his influence felt tremendously. He worked hand in hand with Graham Taylor and others against exploitation of street railway franchises, corruption within the civil service, padded payrolls, and other like evils. Nearly always he was successful, but not always. The last great reform to which he devoted himself was constitutional revision. The new constitution failed of adoption in 1922, but Cole did not despair. Shortly before his death this veteran reformer in spite of his eighty-five years was strongly aiding a movement for another constitutional convention.

FRANK M. STEWART.

University of Texas.

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FINANCIAL CONDITION AND OPERATIONS OF THE NATIONAL GOVERNMENT 1921–1930. By W. W. F. Willoughby. Washington: The Brookings Institution, 1931. xii, 234 pp. $3.00.

As its title indicates, this book discusses the financial condition and operations of the national government since the budget system was adopted in 1921. It is a companion volume, in a way, to the author's treatise on *The National Budget System*, published in 1927. However, it sticks closely to facts and figures and makes practically no suggestions for improving the accounting and reporting of the national government. The author merely expresses a hope that the form in which the facts are presented in his study may bring about an improvement in the manner in which financial data are now presented in official reports.

The financial condition of the national government is approached from the standpoint of the balance sheet. Since the national government does not have a satisfactory balance sheet, the author has constructed one covering the ten-year period under consideration. In this connection he devotes considerable space to a discussion of the obligations of foreign governments and the securities of subsidiary corporations. Next, an operating statement is set up for the national government for the same period. Following this statement is a factual treatment of national income, national expenditures, and national debt, which extends over the major part of the book.

It is to be regretted that the author did not see fit to discuss the financial policy of the national government in his study. By reason of this omission much of human interest in connection with national finances during the past ten years remains unwritten. A book that might otherwise have been widely read may, on this account, receive only scant attention.

A. E. Buck.

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Federal Services to Municipal Governments. By Paul V. Betters. New York: Municipal Administration Service, 1931. Publication No. 24. 100 pp. $1.00.

It has only been a short time since students of political science showed any interest in federal-municipal relations except, and on the whole quite casually, in two fields of relationships. The first was legal, and involved for the most part constitutional limitations on the local ordinance power. The second was in a general way, social—largely a matter of grants-in-aid, particularly along the lines of vocational education. Mr. Betters, however, has prepared a handbook that illustrates a third viewpoint of at least equal importance and possibly a long step in advance of both—that of the more or less informal service of federal agencies to the municipalities of the country.

The approach is through the federal unit—that is, each federal department and miscellaneous board or commission offering services to municipalities is described in reference to its activities in the local field. Beginning with probably the best known and certainly the most extensive services offered by the department of commerce and its outstanding bureaus of standards, mines and census; the departments of agriculture, interior, justice, labor, treasury, war and selected miscellaneous establishments are treated in equal detail. The whole represents a multiplicity of services, probably for the most part unsuspected by even the professional research worker; and that are, incidentally, easily located through an excellent index arranged on a *functional* basis.

Aside from a well written and unusually definite statement of the problem, there are hints throughout of more subtle phases of federal relationships of importance to research bureaus everywhere. In the delicate matter of adjusting public service and private enterprise the coöperation of the division of geodesy and private engineering companies offers interesting experiences (p. 28); the project to be undertaken on an "unauthorized expenditure" basis involving contractual relations between federal unit and municipality are illustrated in various places (pp. 21, 29, 51–52, *etc.*); and the conditions under which a local educational investigation assumes a sufficiently "typical" character to warrant a federal undertaking, offer guides to keep the wider fields of research policies within the boundaries of general interest.

A careful reading of this pamphlet will not only greatly strengthen an investigator's knowledge of research aids, but with an appreciation of the implications involved in a large part of the data, will illumine the true functions of the research bureau; and in the broader field of political science, will indicate a new viewpoint in American federalism.

John F. Sly.

West Virginia University.

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Progress Report of the Santa Barbara County Planning Commission. By the Commission, 1931. Mimeographed.

County planning has emerged as a convenient form of regional planning in places where the boundaries happen to approximate those of an area one would naturally select for a regional plan. Of these, Santa Barbara County, California, under the able directorship of L. D. Tilton, set out on a three-year trial program, the doings of which are now reported. For a modest expenditure of county funds amounting to $11,000 per annum, or 11½ cents per taxpayer plus gifts averaging ⅓ as much, the report lists no less than 93 major activities in controlling the growth and change which "are daily phenomena in Santa Barbara County."

The commission's "aim has been first to give the people of the county an understanding of its policies, a knowledge that the Commission stands for certain things; e.g., well-laid out residential areas; compact, efficient commercial centers; clean roadsides; delightful parks and beaches; an efficient traffic circulation system and the like." It "has made the preparation of plans subordinate to the more necessary duty of finding the key spots where impulses which lead to growth and change originate. It has tried to establish an effective liaison with those men or groups who preside over such vital centers." Beaches are being saved, drives are being preserved, subdivisions are being regulated, model improvement plans have been made for ranches, many beautiful sections of the county have been planned in detail. The commission's work is meeting a permanent community need.

Arthur C. Comey.

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The Better Homes Manual. Published in Coöperation with Better Homes in America. Edited by Blanche Halbert, University of Chicago Home Economics Series. University of Chicago Press, 1931. 781 pp. $8.00.

Recent Trends in American Housing. By Edith Elmer Wood, Ph.D. New York: The Macmillan Company, 1931. 317 pp. $3.00.

Two new books have just been added to housing literature; one written by Dr. Edith Elmer Wood on *Recent Trends in American Housing* and the other, *a Better Homes Manual* edited by Blanche Halbert. Unlike in every respect, they each make a definite contribution to the discussion of an important problem.

Mrs. Wood's book gives a thoughtful analysis of the progress in housing betterment in the United States during the past fourteen years. It is a readable volume, evaluating war housing, the post-war housing shortage, experiments in tax exemption and rent control, new construction programs of commercial builders and large scale operations of limited-dividend companies.

The author states that housing is an economic problem not solvable by wage increases. Bad forms of housing penalize both the lower-wage earners and society which must pay the costs of the anti-social consequences, for health, safety and public morals are inevitably jeopardized. Housing is not an urban problem alone; it affects rural areas as well. Regulation by law is essential but it will not wholly solve the problem. City and regional planning, zoning, financial aid to home owners, and satellite towns for the housing of certain economic groups, all help but even they are insufficient. Commercial construction reaches only the upper third of the population because builders establish sales prices beyond the economic reach of the rest of the population and slum clearance, while eliminating bad spots, does not provide for those dehoused. There have been practically no slum clearance projects in American cities except in a few instances where limited-dividend housing corporations have functioned. Minimum health-and-decency standards for all housing cannot be secured without recourse to governmental subsidy. This method of providing low cost housing is commonly practiced in European countries but has not been accepted in America except in a few isolated instances and to a limited extent. The resort to such aid is repugnant to the American business man, the author explains, although such a stand is incompatible with the current practices which prevail in regard to subsidies for other purposes.

"The net result of accomplishment" during the past decade and a half in housing betterment in America "is hardly one to justify a high degree of optimism," is the author's conclusion.

Of quite a different character is "The Better Homes Manual," which is largely a compilation of essays by different writers, abstracts from published brochures, and adapted articles from magazines. Its 781 pages deal with the fundamental requirements of housing, including the essentials to be checked in the selection of suitable sites, construction practices, equipment, financing, home furnishings, maintenance, city planning and zoning, and like topics that affect the serviceability of the dwelling in one or another way.

To the home economists it will make an appeal in its discussion of efficiency kitchens, color schemes, reconditioning of floors, walls and woodwork, and suitability of types of furniture. The social case worker or the young couple about to purchase a home will find in the reproduction of the optimum standards recommended by the White House Conference on Child Health and Protection, guides that are of practical value to aid in the choice of dwellings. The wide scope of topics treated will prove helpful to local committees of Better Homes in America.

The Manual is more of a reference book than a treatise on housing. It presents a certain amount of duplication and overlapping of material, due to the fact that it consists of an assembly of papers some of which discuss similar topics; and at times there is a certain amount of conflicting advice. Thus, one writer states that the cost of the lot with municipal improvements "rarely should exceed 25%" of the cost of the house and lot; another, that this cost should "not exceed 30%"; while a third puts lot and improvements at 35 per cent. By combining recommendations of different authors for the reduction of the cost of construction one can approximate zero costs.

Bernard J. Newman.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Condemnation Procedure in Kansas City.—Kansas City Civic Research Institute, 1931. 72 pp. The recent experience of an expensive street widening project being assessed against a comparatively small district in spite of its city-wide value, and the operation of the new ten-year plan calling for additional condemnations suggested a study of the subject. This was undertaken at the request of the Property Owners' Division of the Real Estate Board. The report is devoted primarily to the results of condemnation procedure in Kansas City, but includes a statement on its development and gives suggestions for improvement. The latter emphasize the establishment of an office of Commissioner of Condemnation and Assessments in the Department of Finance, a condemnation jury to determine the award for property taken, the establishment of a revolving fund from which the city can pay general benefits and the principal and interest on special assessment bonds, and the collection of assessments at the same time as general taxes. (Apply to Civic Research Institute, 114 West Tenth Street Building, Kansas City, Missouri.)

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Current Revenue and Expense of the City of Rochester.—Hazen Pratt. Rochester Bureau of Municipal Research, 1931. 62 pp. At the request of the Chamber of Commerce, the Bureau undertook to compare the 1930 expenditures of Rochester with the rather similar cities of Dayton and Columbus in Ohio. After visits to the Ohio cities, Mr. Pratt was able to segregate and adjust the figures so as to make the comparison a valid one, for general municipal expense and revenues and schools. The report consists primarily of detailed tables which are on the whole self-explanatory. (Apply to Rochester Bureau of Municipal Research, 45 Exchange Street, Rochester, New York.)

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Planning and Zoning Problems.—Westchester County Planning Federation, 1931. 53 pp. The 19 municipalities of Westchester County have created an Association to promote community planning, to provide a clearing house for information, and to coöperate in matters affecting the county plan. The Federation has semi-annual conferences at which are discussed important phases of its work such as the accomplishment and administration of zoning, the making of plans, the Regional Plan of New York and its relation to Westchester County, modern control of subdivision, gasoline stations, automobile parking, and the powers of zoning boards. (Apply to Westchester County Planning Federation, 201 Main Street, White Plains, New York.)

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A Regional Police Plan for Cincinnati and Its Environs.—Bruce Smith. Institute of Public Administration, New York. 1932. 28 pp. This study undertaken for the Cincinnati Regional Crime Committee pioneered in exploring the resources of the one hundred and forty seven police units of six counties and in suggesting ways in which the police forces of the entire region might be made more effective. The program calls for coöperation and coördination based on accepted police methods for the repression of crime. Of especial importance are the knowledge of crime made available quickly throughout the region, the control of radiol highways and railways, coördination of protective and investigating work, training, criminal identification, the use of the criminal *modus operandi* system and the identification of lost property. Some of the adjustments suggested are already being introduced. Through such common action the rural areas may demonstrate their ability to meet conditions of today before their local autonomy is lost through absorption by larger units and the practical possibilities suggested in this study are of value to small communities as well as to the closely populated districts. (Apply to Institute of Public Administration, 261 Broadway, New York City. Price 50 cents.)

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Committee on City Finances.—Detroit Bureau of Governmental Research, Detroit. 30 pp. A committee representing prominent civic organizations in Detroit was organized at the request of the city council to put into concrete form the measures proposed by Mr. Ralph Stone to improve the city's financial condition. With the help of the detailed knowledge of city affairs afforded by the Detroit Bureau of Governmental Research, the Committee was able to make a number of important recommendations. This report, issued after nine months of work, lists these recommendations and in a parallel column on the same page, the action taken by the council in connection with the points raised. (Apply to Detroit Bureau of Governmental Research, 51 Warren Avenue West, Detroit, Michigan.)

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Report of the New York State Commission for the Revision of the Tax Laws.—Albany. 1932. 75 pp. With Senator Seabury C. Mastick as chairman and Dr. Robert Murray Haig as director of research, the Commission has arrived at important conclusions and recommendations. The results of the research work and a detailed analysis of the revenue problem are published in separate volumes. The thoroughness and comprehensiveness of the report merit detailed review and only a few of the points discussed may be mentioned here. The Commission proposes plans for the distribution of revenues, for the control of local finances, for the improvement of tax administration, and for the taxation of public utilities. It makes suggestions for establishing reserves for taxes of excessively variable yield and advocates a petition to Congress for a Commission on Relations of Federal and State Revenues. The relief of the real estate tax burden is also considered. (Apply to New York State Commission for the Revision of the Tax Laws, Albany, New York.)

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Smoke and Its Prevention.—H. M. Faust. Ohio State University, 1931. 15 pp. The Engineering Experiment Station at Ohio State University has produced another useful pamphlet. The cause of smoke and the means of its elimination are briefly and clearly described and illustrated. A reduction in the amount of smoke produced is of interest because of economy as well as health and the concrete suggestions offered in this bulletin should speed the disappearance of this unnecessary evil. (Apply to Engineering Experiment Station, Ohio State University, Columbus.)

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League of Virginia Municipalities Year Book.—220 pp. Public officials and all others concerned with government will find the 1932 Virginia Year Book of interest and value. It contains a directory of all Virginia officials, a description of the government of the state and its various units, a résumé of the election procedure and a description of the League of Virginia Municipalities. Comparative statistical tables include local tax rates, assessed valuations, indebtedness, license taxes, and public utility rates. The attractive form as well as the important content of the volume make it an important addition to the library of state year books which are an important source of information on governmental affairs. (Apply to League of Virginia Municipalities, Travelers Building, Richmond. Price $6.00.)

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Taxation and Public Expenditures in Pettis County and the City of Sedalia.—Associated Industries of Missouri, St. Louis. 1931. 74 pp. The general dissatisfaction with public financial conditions is producing a large volume of surveys of taxation and public expenditures. One of these was undertaken for the city of Sedalia, (population 20,806) and Pettis County, by the Department of Taxation and Governmental Research of the Associated Industries of Missouri, to serve as a basis for analysis and recommendations by the Pettis County and Sedalia Chamber of Commerce Tax Committees. The report itself furnishes a description of the government of the two units and presents financial statistics on assessed valuation, tax rates, revenues and expenditures. (Apply to Associated Industries of Missouri, Railway Exchange Building, St. Louis.)

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Report of the Executive Committee to the Governor's Tax Conference.—Springfield, Illinois. 1931. 46 pp. In July, 1931, Governor Emmerson called a tax conference to suggest means of bringing some semblance of order and equality out of the chaotic condition of public finance in Illinois. The Conference appointed an executive committee to undertake the study which resulted in the program described in this report. The points recommended are summarized as: restoration of the public credit, and relief for distressed taxpayers through the provision of new sources of public revenue, the provision of installment payment of delinquent taxes, measures to reduce public costs, the check of public expenditures by provisions for uniform public accounting and uniformity of assessments to make possible the consolidation of taxing bodies when desired by the voters. (Apply to Governor's Tax Conference, Springfield, Illinois.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE *Professor of Law, New York University*

Liability in Tort.—TORTS—LIABILITY OF CITY FOR ACTS OF POLICE OFFICERS—CONSTRUCTION OF STATUTORY BOND.—The generally accepted common law rule that a municipality is immune from liability in tort for the acts of police officers,[1] which obtains in all of the states except Florida, a rule which has recently been slightly modified by statute in New York and Pennsylvania,[2] does not prevent frequent actions being brought against municipalities by persons injured by the dereliction of such officers. The refusal of the courts to limit this immunity is well illustrated by two recent decisions. In *Lauxman* v. *Tisher,* 239 N. W. 675, the Supreme Court of Iowa holds that the negligence of a police officer resulting in a severe injury to a prisoner while being conveyed to jail imposes no liability upon the officer nor consequently upon the municipality. So, also, in *Kebert* v. *Board of Commissioners of County of Wilson,* 5 Pac. (2d) 1085, the Supreme Court of Kansas holds that the negligence of a sheriff which caused the death of a prisoner compelled to work in the construction of a sewer will not charge either the officer or the county with liability.

In order to correct in part this anomaly in the law of tort liability several states have enacted statutes for the protection of private individuals against injuries occasioned by acts of police officers by requiring such officers to take out a bond conditioned upon the faithful performance of their duties and providing for compensation to be paid to those suffering injuries because of official dereliction. These statutes have been construed to give to the individual injured a direct action against the surety for any tortious act committed by the officer either by virtue of his office or under color of his office.[3] Thus in *Hodge* v. *U. S. Fidelity & Guaranty Co.,* 155 S. E. 95, the Court of Appeals of Georgia holds that the surety is not to be held liable where the plaintiff's husband was shot by an officer while engaged in a controversy with another officer. On the other hand the Supreme Court of Mississippi in *Carlisle* v. *City of Laurel, et al.,* 124 So. 786, properly held that the act of an officer in making an unwarranted arrest while on duty subjected the surety to liability for the tortious act. In other words, statutory bonds of this kind do not impose any additional liability upon the municipality but make the surety liable to respond in damages in cases in which, but for the rule exempting it, the municipality would be subject to a common law liability.

The decisions in Kentucky bearing upon the construction and application of such statutory bonds are more numerous than in any other state. In a late decision, *Murphy* v. *Phelps,* 43 S. W. (2d) 1010, the Supreme Court of Kentucky holds that the execution of such a bond by a policeman has no effect upon the rule of law that a city will not be liable to respond in damages for the acts of a police officer. In this particular case the court sustained a demurrer of the city to the complaint and ruled that a verdict in favor of the officer in an action for damages was *res adjudicata* as to the liability of the surety. Another late decision, *National Surety Company* v. *Hester* (Ky. Court of Appeals) 44 S. W. (2d) 563, holds that the bond of a county motor patrolman covers his negligence while performing his duties within as well as without cities in the county. In this case the bond was not given in conformance with the requirement of a statute but was held binding as a common law obligation. In contrast to this decision in *Finney* v. *Shannon*, 6 Pac. (2d) 360, the Supreme Court of Washington holds that where such a bond may be required by an act of the council, a bond issued by the surety company without the due passage of a resolution to that effect is unenforceable at the instance of one injured by the willful or negligent act of the officer in the discharge of his official duties.

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[1] Craig v. Charleston, 180 Ill. 154, 54 N. E. 184. An exhaustive review of the English and American cases may be found in Nettleton v. Prescott (1908), 16 Ont. L. Rev. 528, 12 Ann. Cas. 790.

[2] Pa. Laws of 1929, Art. 403, §619 and N. Y. Laws of 1929 ch. 406, which imposes liability for negligent operation of vehicles operated by municipal officers or employees.

[3] The Georgia Statute (Code 1926, §291), for example provides that "Every official bond executed under this Code is obligatory on the principal and sureties thereon . . . for the use and benefit of every person who is injured, as well by any wrongful act committed under color of his office as by his failure to perform, or by the improper or neglectful performance of those duties imposed by law."

Florida stands out as the most progressive state of the Union in the matter of charging municipalities with a common law liability in tort similar to that imposed upon private persons. In the recent case of *City of West Palm Beach* v. *Grimmett*, 137 So. 385, the Supreme Court of Florida held that the city was liable to a pedestrian for personal injuries resulting from the negligence of a police officer in operating his motorcycle, thus reaffirming the doctrine announced in *City of Tallahassee* v. *Kaufman*, 87 Fla. 119, 100 So. 150. To the same effect is *Wolfe* v. *City of Miami*, 137 So. 892, holding the city liable for the negligence of a convict while operating a public vehicle to carry food to city prisoners.

It is indicative of a growing consciousness of the injustice of the rule of municipal immunity that the local law of the city of New York, authorizing the payment of equitable claims which do not constitute legally binding obligations, has recently been held applicable to sustain an award to a person injured by police officers in the performance of their official duties (*Evans* v. *Berry*, 141 Misc. Rep. 920, 253 N. Y. S. 569). A study of the effectiveness of statutes requiring official bonds to protect those who may suffer from the tortious acts of officers for which the common law gives no remedy except against the officer himself would be of great value in the solution of the present day problem of what remedies should be adopted to better conform the law of municipal corporations to the modern law of private liability in tort.

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Prevailing Rates of Wages.—LIMITATIONS UPON THE POWER OF MUNICIPALITIES TO CONTRACT—ILLINOIS LAW REQUIRING PUBLIC CONTRACTORS TO PAY THE PREVAILING RATE OF WAGES HELD INVALID.—A notable decision has been handed down by the Supreme Court of Illinois in *Mayhew* v. *Nelson*, 178 N. W. 921, in which the court in a tax payer's action declares invalid the recently enacted statute (Laws, 1931, p. 573) requiring all contracts for public work of the state or its subdivisions to contain a provision for an eight hour day and that the contractor will pay the rate of wages prevailing in the locality. The statute is somewhat complicated but in effect requires that the prevailing rates shall be ascertained before a contract is let and in fact incorporated in the specifications upon which the bids are to be made. It further provides that violations of this condition by a contractor shall be determined by certain administrative officials and penalties by way of deductions or forfeiture be imposed therefor. The court holds that the statute is too indefinite and that it delegates to administrative authorities legislative powers contrary to the provisions of the state constitution.

The opinion of the court advances the questionable premise that the statute "abridges the rights of contractors subject to its provisions to enter into contracts." The generally accepted principle of law in other jurisdictions, if not in Illinois, is that no one has any right to enter into a contract with a public agency but only a privilege, which may be withheld or granted upon such terms and conditions as the legislative policy of the state may prescribe.[1] The statute before us expressly states that its provisions shall not be retroactive. Equally unconvincing is the argument of the court based upon the delegation of the power to determine controversies to administrative officials. The court has evidently become so obsessed with its strictures upon administrative powers[2] that it lost sight of the fact that it was dealing with the provisions of a contract voluntarily entered into by the contractor and not with a penal statute nor one by which vested property rights are impaired. Upon the reasoning announced by the court it seems that a clause in a public contract requiring arbitration would have to be held unconstitutional. The inconsistency of the court's argument may be noted in that at one point the statute is condemned for not designating a person to decide controversies that may arise while the gravemen of the opinion is that the statute fails because as to other matters it makes such a designation.

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[1] Atkin v. Kansas, 191 U. S. 217; Heim v. McCall, 229 U. S. 207; Sweeten v. State, 122 Md. 634, 90 Atl. 180; Campbell v. New York, 244 N. Y. 317, 155 N. E. 668.

[2] See comments upon Welton v. Hamilton, by Dr. Ernst Freund in the September, 1931 number of the Review.

Although supported by earlier decisions in Illinois,[1] we cannot help concluding that the decision is unfortunate and trenches deeply into the domain which should be reserved to the legislative department of the government. Thirty years ago such a statute might have been declared unconstitutional in many states, either as class legislation or as tending to the confiscation of private property under the guise of taxation,[2] but such a ground is only hinted at in the opinion. Nor does the court refer to any of the cases in other jurisdictions in which similar statutes have been upheld. It will be interesting to watch the adjustments the court will be called upon to make when other statutes of similar purport relating to the control of the legislature over municipal contracts come before it for adjudication, especially if the people of the state of Illinois by an amendment to their constitution expressly authorize such legislation.

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Zoning Variances.—Requirement of Notice to Interested Parties.—The occasional lack of any requirement of adequate notice to property owners in a restricted district as to hearings upon applications for zoning variances is well illustrated in *Ottinger* v. *Arenal Realty Co.*, 257 N. Y. 371, 178 N. E. 668, in which the Court of Appeals held that the charter provision that the board of appeals shall "give due notice thereof to the parties" covers only the petitioning owner and the superintendent of buildings, the direct parties to the appeal. The court further holds that the clause of the zoning resolution requiring that the board of appeals shall give public notice and hearing before taking action on a petition for variation is satisfied if the notice is given in any form reasonably adapted to inform the general public and that publication in the board's own official bulletin is sufficient. In the instant case the plaintiffs, the owners of adjoining property, received no actual notice, although a rule of the board requires the petitioner to mail a notice to a list of adjacent owners furnished by the board itself. The address of the plaintiffs given in the list was erroneous, but the court holds that in the absence of a more specific direction the failure to give a proper address did not make the proceedings invalid.

It would seem that some more stringent provision should be incorporated into zoning statutes better to guarantee that all persons interested will receive notice of a hearing upon a petition for variation. Any property owner who will be injured by a violation of a zoning ordinance may bring an action to enjoin its continuance (*Roock* v. *Womer*, 253 N. Y. S. 357) and such owners should be entitled to notice of proceedings for granting a variation. In Massachusetts the statute imposes a duty upon a board of appeals to mail proper notices to owners of adjacent property which will be affected by the proposed change. That statute reads:

> No such variance shall be authorized except by the unanimous decision of the entire membership of the board, rendered upon a written petition addressed to the board and after a public hearing thereon, of which notice shall be mailed to the petitioner and to the owners of all property deemed by the board to be affected thereby as they appear on the most recent local tax list and also advertised in a newspaper published in the city or town.

The Supreme Judicial Court of that state in *Kane* v. *Board of Appeals of City of Medford*, 273 Mass. 97, 173 N. E. I., holds that such duty cannot be delegated to the petitioner and that the notice to the interested parties must be definite enough to apprise them of the nature of the variation sought. It is apparent that some amendment to the New York law should be enacted, which will assure to the owners of lands within a restricted district due and proper notice of proposed variations which will affect the character of the district in which their property is located.

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[1] As, for example, People v. Federal Surety Co. (1929) declaring the Illinois Securities Law unconstitutional.

[2] People v. Coler, 166 N. Y. 1, 69 N. E. 716, 52 L.R.A. 814. This case was decided in 1901 by a divided court. After the decision of the Supreme Court in Atkin v. Kansas, 191 U. S. 207 in 1903, the state constitution was amended by expressly conferring upon the legislature the power "to regulate and fix the wages" etc., upon public works (Constitution, art. xii, §1). A statute requiring that in all public contracts a provision be incorporated that the contractor shall pay not less than the prevailing rate of wages in the locality was upheld in Campbell v. New York (1927), 244 N. Y. 317, 155 N. E. 668.

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Streets as Playgrounds.—Liability of the City for Temporary Closing to Protect School Children.—In *Miller* v. *Mayor, etc. of Baltimore,* 157 Atl. 289, the Supreme Court of Maryland held that the city was not liable in damages to the driver of a truck injured by running into a rope placed across the road to protect school children at play during the recess period, upon the ground of the contributory negligence of the plaintiff who failed to notice the conspicuous sign suspended from the rope. The court, however, goes at some length into the general question whether the temporary closing of a street for play purposes is to be considered a nuisance for which the city would be liable to a traveler, injured while exercising due care in the use of the street, and reviews the decisions in Maryland and in other states.

This question as to how far a city under its general powers over streets may go in closing them temporarily without becoming liable to travelers or the abutting owners has never been satisfactorily worked out. Closing for a reasonable time as a police measure has generally been upheld, as for a parade (*Simon* v. *Atlanta,* 67 Ga. 618), or the protection of the sick (*Anderson* v. *Wilmington,* 2 Pennewill (Del.) 28, 43 Atl. 841, or under order of a court to prevent its proceedings being interrupted by noise (*Belvin* v. *Richmond,* 85 Va. 574, 8 S. E. 378). But when it comes to the closing of a street to provide playgrounds for children, distinctly not a street purpose, the authorities are in conflict. In *Petrich* v. *Village of Chisholm,* 180 Minn. 407, 231 N. W. 14, the Supreme Court of Minnesota held that in an action against the city for damages an ordinance closing a street through school grounds for the greater part of the day could not be put in evidence, because it was beyond the powers of the village.[1] A contrary conclusion was reached by the Supreme Court of Arkansas, in *Owens* v. *Town of Atkins,* 163 Ark. 82, 259 S. W. 396, which held that the town had power to close streets for ball games and that one refusing to observe the restrictions might be guilty of trespass. The question of the effect upon the rights of owners of abutting property nearly always turns upon whether the closing is temporary or permanent, whether for the improvement of the street or for other purposes.[2]

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Protecting Mapped Streets.—The City Plan—Attempt to Control Projected Streets by Exercise of the Police Power.—In *Arkansas State Highway Commission* v. *Anderson,* 43 S. W. (2d) 356, the Supreme Court of Arkansas affirmed a decree of the court of chancery dismissing a bill to enjoin the defendant from building upon his land within the lines of a street not opened but merely projected on the city plan. The town of Cabot, in preparation for the widening of a state highway running through the town, had enacted an ordinance making it unlawful for any owner of land to erect any structure within the projected lines of the extended highway. The court held that the power of the town to take land for this purpose was limited to the statutory method of condemnation and that the ordinance was void as an attempt indirectly to appropriate the defendant's lands without compensation.

The only method for protecting projected streets in outlying districts under the city plan unanimously accepted by the courts has been that based upon the control of the privilege of dedicating streets and highways (*Village of Lynbrook* v. *Cadoo,* 252 N. Y. 308, 169 N. E. 394). The ingenious proposal to apply the device of condemning the right to condemn later private lands for projected streets seems to have been found to be too complicated a scheme to receive any serious consideration by legislators. And the attempt to attain the needed protection against the improvement of private lands which may later be required for public use by thumbmarking them under the pretext of a valid exercise of the police power has uniformly been defeated by the courts. Indeed in a proceeding to condemn property, a failure to base the damages upon present values upon the theory that the owner had been precluded from developing his property because of a notice that it would later be required for street or park purposes has been held sufficient grounds for setting aside the award (*Matter of City of New York* [*Inwood Hill Park*], 230 App. Div. 41, 243 N. Y. S. 63, aff'd 256 N. Y. 556).

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[1] Similar decisions based upon the absence of express legislative authority are Stevens v. City of Dallas (Tex. Civ. App.) 169 S. W. 188, and County of Harris v. Kaiser (Tex. Civ. App.) 23 S. W. (2d) 840.

[2] See notes in the April and June, 1930, issues of this Review, Vol. xix, p. 263 and p. 434.

Municipal Ownership.—Incidental Power to Sell Surplus Water to Citizens of Another State.—The joint water-works enterprise of Kansas City, Missouri, and Kansas City, Kansas, authorized by identical statutes of the two states in 1921 and approved by resolution of Congress in 1922 (42 Stat. 1058) is one of the notable examples of interstate compacts to meet the growing needs of municipalities. The question of the power of Kansas City, Missouri, to supply water to non-residents has been recently before the Supreme Court of that state in *Speas* v. *Kansas City*, 44 S. W. (2d) 108. This was a taxpayer's action to restrain the city officials from selling water to outside consumers, alleging that the authorization of the charter did not justify supplying municipalities in Kansas and that such disposal was seriously impairing the efficiency of the service to residents of the city.

The court holds that the charter power of the city to sell surplus water to non-residents does not contravene the state constitution, and that the sale in Kansas does not involve an exercise of governmental power in another state, but is a proprietary act the validity of which is to be determined by the local law. As to the question of the effect upon the service supplied to the residents of the city, the court holds that complaints of this character must first be passed upon by the state public service commission, the jurisdiction of the courts being limited to a review of the orders of the commission when certified to the circuit court for that purpose. The opinion reprints in full the compact between the states which authorized this important coöperative enterprise.

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Private Highways.—Regulation of Private Roads by Municipal Ordinance.—The power of a municipality to regulate the operation of vehicles on private ways by prescribing rules of the road for those making use of them is upheld by the Supreme Court of Idaho in *Crossler* v. *Safeway Stores, Inc.*, 6 Pac. (2d) 151. The question was directly in issue a bearing upon the contributory negligence of the plaintiff in a civil action for damages, the defendant setting up a violation of the traffic ordinances of the city of Moscow. The driveway was upon the grounds of the University of Idaho and used by the public with the consent and invitation of the university authorities. The ordinance in question forbade persons standing upon the running board of an automobile "while such vehicle is in motion."

The court predicates its decision upon the premise that within its boundaries the local police power conferred upon the city is coextensive with that of the state and limited only by the constitution and general statute. Statutory regulation of travel on private roads open for public use has generally been upheld.[1] Such control, however, may not go to the extent of depriving the owner of a private way from excluding its use by vehicles operated for hire, which would result in depriving the owner of his property without compensation.[2]

⁂

Near-Beer Ordinances.—Licensing the Manufacture and Sale of Soft Drinks.—The Supreme Court of Alabama in *Barrow* v. *City of Bessemer*, 138 So. 552, construes an ordinance requiring a license for bottling or manufacturing soft drinks not to include the delivering or sending of such goods bottled outside the municipal limits. The court reaffirms, however, the authority of the city to impose licenses upon those selling soft drinks. A similar decision was recently handed down by the Court of Appeals, Cuyahoga County, in *Levitt* v. *City of Cleveland*, 178 N. E. 593, holding that requirement of a special license to sell near-beer to be consumed upon the premises is a valid exercise of the police power, even as applied to one holding a license to operate a delicatessen store. The discretionary power of the city to classify various businesses for the purpose of regulation will not be controlled by the courts unless clearly unreasonable and the ordinance in question prescribing a special license fee and a construction of the premises so as to be easily inspected was held to conform to these requirements.

⁂

Indebtedness.—Apportionment upon Division of School District.—The apportionment of indebtedness upon the disannexation of territory from a local subdivision lies in the discretion of the legislature of the state, which may allocate the obligations at any time it may see fit. The only limitations upon such legislative control outside express provision of the state constitution is the inhibition of the federal constitution against the impairment of the obligation of contracts. In many states statutes provide that the apportionment be left to the designated court.

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[1] Commonwealth v. Gammons, 23 Pick. (Mass.) 201; Weirich v. State, 140 Wis. 98, 121 N. W. 652; Grulich v. Paine, 231 N. Y. 311, 132 N. E. 100; Welsh v. Morristown, 98 N. J. L. 630, 121 Atl. 697. *Contra*, Royal Indemnity Co. v. Schwartz (Tex. Civ. App.) 172 S. W. 581.

[2] D. L. & W. R. R. Co. v. Morristown, 276 U. S. 182.

In Pennsylvania the matter of such apportionment upon the division of school districts is delegated to the court of common pleas (Pa. St. §§4668–4670). In *Appeal of Commonwealth*, 157 Atl. 621, the Supreme Court of Pennsylvania had before it the question of the right of the state to intervene in such a proceeding under the provision of a statute passed in 1919 (Pa. St. §17068). The court holds that the determination of the court of common pleas was final and that after the delay of a year the petition of the state to intervene cannot be granted. This decision reinforces a previous decision of the same court in *White Township School District's Appeal*, 300 Pa. 422, 150 Atl. 744, which held that the determination of the tribunal designated by law to make administrative findings is final and that the appellate courts cannot assume to redetermine or modify its order.

⁂

Power of Legislature over City Streets.—NATURE OF HIGHWAY IMPROVEMENTS—A MUNICIPAL OR STATE FUNCTION.—Despite the statement of some courts, drawing an erroneous interpretation as to the nature of highways from local precedents imposing a common law liability in tort upon cities and villages for defective streets, that the maintenance of highways is a proprietary as distinguished from a governmental function, the courts uniformly sustain the plenary power of the state legislature to assume full control over their construction and regulation. In *Taneyhill* v. *Kansas City*, 3 Pac. (2d) 645, the Supreme Court of Kansas upheld the state statute authorizing all cities having more than 115,000 inhabitants to establish main arterial highways and to provide that one-half the cost should be raised by special assessment, and affirmed a judgment sustaining a demurrer to a taxpayer's action seeking an injunction against its enforcement.

In Missouri, the decision of the Supreme Court in *State* v. *Highway Commission*, 42 S. W. (2d) 193, holds that in the performance of their duties with reference to roads and bridges officials of county and other civil divisions are agents of the state, and that, although the duty of construction and maintenance of highways may be imposed upon the local authorities, they will be entitled to subventions by the state only to the extent expressly authorized by statute. This case and the companion decision on page 196 following thoroughly review the Missouri highway statutes in relation to federal aid and municipal subsidies. The opinion in the latter case is especially valuable as illustrating the correct application of the accepted rules of statutory construction.

PUBLIC UTILITIES

EDITED BY JOHN BAUER ◆ *Director, American Public Utilities Bureau*

Municipal and Private Ownership in Massachusetts.—Following our discussions of municipal electric plants in recent numbers of the Review, we call attention to a special study of public and private electric utilities in Massachusetts by Charles H. Porter, of the Massachusetts Institute of Technology.[1]

The survey covers principally data for the year 1929, and includes number of customers, electricity generated and purchased, sales, and costs. His object was to indicate the relative efficiency of the private and public plants. In his introduction, Mr. Porter states that:

> At their *best* the municipal plants are less aggressive in demonstrating to their customers the advantages of an increased use of electricity, but pass along to them all gain resulting from the adoption of improved methods. At their *worst* the difference between the two is the difference between graft at the top and graft at the bottom.

This is, in general, a fair statement. In detail, however, it is not fully supported by Mr. Porter's figures. There is little to indicate superior economy on the part of the private plants, or that it has been shared to great extent with consumers. Nor is there proof that the private plants are more aggressive in demonstrating to customers the advantages of increased use of electricity. Whatever may be the best or the worst, the comparisons show that the municipal plants have done, on the whole, a much more economical job for the public.

Mr. Porter points out the varying factors that make impossible conclusive comparisons between individual plants. The figures, however, are broadly comparable, and they do indicate, in general, the principal differences between private and municipal plants. There are included 68 private companies, and 43 municipals. A comparison is made between the principal classes of operating expenses, taxes, and interest on capital, also rates paid by the average residential customers of forty kilowatt hours per month.

As to generating expenses, the figures are not sufficiently comparable. A large proportion of the plants, moreover, purchase power at wholesale rates. It is clear that on the average, the municipal plants are required to pay a higher price than similar private companies. This is a direct discrimination against municipal plants.

The second group of expenses includes transmission and distribution. On the average, it seems clear that there is greater economy on the part of private companies than the municipal plants. The margin of difference, however, is not sufficiently great but that it may be explained by the difference in conditions under which service is rendered.

The third group of operating expenses is new business. On the average, the companies spend $1.61 per customer per year as against 15 cents by the municipal plants. The difference appears to be taken by Mr. Porter as indicating the relative effort to extend the use of electricity. The real explanation, however, may be in the efforts of the private companies to enlist public opinion, especially newspaper support through advertising campaigns.

The last group of operating expenses includes commercial and general. Here the relative economy lies distinctly with the municipal plants. While there is wide variation, the average for all municipal plants is $5.10 per customer per year, against $8.49 for the companies. Mr. Porter infers that the difference is due largely to management fees and administration, rather than to basic costs of operation. Whatever the reason, the facts as presented agree with the analyses that have been made from time to time in this department.

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[1] *The Journal of Land & Public Utility Economics*, November, 1931, pp. 394–438.

Under depreciation, Mr. Porter concludes that on the average the municipal plants make less adequate provision than the companies; $6.40 per customer per year, compared with $8.70. This difference, however, may be explained in part by the relatively lower capital cost for plant and equipment for which depreciation allowances are made, and partly by the fact that the municipal plants provide also for amortization of capital and have largely built the properties out of earnings.

As to taxes, there is the fundamental difference that the private companies pay on the average about 10 per cent of their gross revenues in taxes, while the municipal plants have no taxes except in few exceptional instances. This factor must, of course, be taken into account in a comparison between the two classes of operation.

The most striking difference between the public and private systems appears in the interest or returns paid on the capital or properties used in the public service. On the average for the private companies, the net annual payments for dividends and interest amount to 15.8 per cent of the gross revenues. For the municipal plants, the corresponding charges are much less. There are, of course, no dividends; only interest on bonds. Since the bonds are systematically amortized, the amounts outstanding are much below the capital cost of the properties. No general average is given, and there are wide variations between individual plants. The highest net interest paid is 10.5 per cent of gross revenues as against 15.8 per cent average for the private companies for interest and dividends. For a number of the municipal plants there was no net interest paid, but rather net interest received.

On the average, surplus earnings have provided 76 per cent of the capital cost of the municipal plants. The properties have been built up either directly through surplus earnings, or indirectly through the amortization of bonds. The result is a very light interest burden to be borne by present and future consumers. This contrasts sharply with the private companies which provide for the bulk of the capital costs out of security issues, and seldom make provisions for amortization. Nor do they limit the returns to actual cost, but seek the maximum net earnings attainable under an inexact system of regulation.

It is in the overheads and fixed charges or returns that the greatest differences exist between the private and municipal plants. It is here where, on the average, the companies greatly exceed the costs incurred by the municipal plants. It is here where the companies are not subjected to effective public control and where the basic economies of operation and maintenance are more than blanked so far as the public is concerned.

As to rates, Mr. Porter confined his comparisons to domestic users. Since the municipal plants are located mostly in the smaller communities, they are concerned principally with residential service and much less with the industrial.

Rate comparisons are inevitably difficult to make. There is the wide difference in form and, particularly, there is the difference in the matter of taxes. Mr. Porter attempted to make an adjustment for the tax factor, and after the adjustment he presents a comparison of bills for the different companies and municipal plants for a residential monthly consumption of 40 kilowatt hours.

This comparison shows that the municipal rates are on a distinctly lower level for what is taken to be the average residential consumer. The difference would be still greater for the smaller users. But, for the larger users, the company rates appear to give greater reductions to stimulate residential consumption. It is not clear, however, to what extent the promotional effort has actually taken place. The figures do not show the average residential consumption per customer for any of the plants.

The final conclusion stands out clear, that the municipal plants are, on the average, operated not only at lower total cost to the public, but that their residential rates are on a considerably lower level. It is a striking fact that notwithstanding the lower rates, the municipal plants have supplied over 75 per cent of their present capital investment out of earnings.

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Kansas City Ordinance for Purchase of Street Railways.—On April 12 next the people of Kansas City, Missouri, are to vote on an ordinance providing municipal acquisition, financing and management of the street railway system of the city. The plan is a step in advance and a decided improvement on municipal ownership in other cities. It proposes to take possession of the transportation system by condemnation proceedings, paying for it by taxes as a public improvement, and operating at reduced fares under the direction of a non-political board of five citizens.

The central fact of this proposal is that the capital cost of the system is to be paid by taxes levied against land owners whose holdings of land are enhanced in value by the transportation service, while only the cost of the transportation received by the patrons is to be paid by them in the fares.

The ordinance was drafted by a group of private citizens who were interested in a solution of the street railway problem, and it is submitted to vote under the initiative provisions of the city charter. In drafting this ordinance its sponsors had two objects in mind. First, to effect a solution of a difficult problem which involved the welfare of the entire community; for the street railways had been a sore spot in civic life for sixty years, a source of strife, political corruption and civic disgrace, with two receiverships and the financial manipulation accompanying consolidations and reorganizations. Second, it was decided if possible to make the transportation system a real benefit to the people of the city, offering some slight relief from the grievous burdens imposed by present economic conditions, as well as an aid to community progress and development.

The conventional form of municipal ownership would have ended absentee ownership by eastern security holders and absentee control by the state public service commission, but would not have offered the street car riders any relief from high street car fares. The sponsors of this ordinance asserted that public transportation was a public necessity as much as streets, sewers or schools, and adopted the expedient of making the necessary investment by taxation as is done with other public improvements, requiring the patrons to pay only operation and maintenance costs. By this expedient an increase of fare is avoided and a reduction of fare is secured, which will save millions of dollars a year to the people over and above the taxes to be paid for acquisition. It sounds like magic but is very simple; it is accomplished by eliminating merely the 8 per cent return on cost of reproduction which the courts require to be paid to owners of public utilities, and excluding capital cost from fares; putting so much capital into a public transportation system the same as we would put so much capital into a public sewer system, not expecting dividends from the one any more than from the other, and not asking car riders to pay for a plant of which they never become the owners.

The ordinance condemns the capital stock of the street car company, thereby acquiring the stockholders' equity and taking possession of the property subject to the existing bond mortgage, which has twenty years to run. In this way immediate control can be acquired for a small sum, as the stockholders' equity is worth very little according to market prices of the stock, and by taking it subject to the existing mortgage there is no need for voting city bonds, floating any new securities on the present disadvantageous money market, or doing any new financing, as the property is financed for twenty years as it stands. This also avoids any difficulties over cancellation of franchise rights, as the franchise is a part of the property acquired.

Payment of the condemnation cost is made by a special tax assessed against a benefit district which covers almost the entire city, leaving out such parts as may fairly be said to lack street car service. As the taxes are to be assessed against the land only and on that according to value (not frontage), the tax against the average home owner very small (about four or five dollars) and most of the tax will fall on the high values of downtown business locations. A special assessment is provided to be made annually against all the land in the city according to value to form a street railway fund out of which the interest on the existing bond mortgage is to be paid each year, and the principal of the mortgage paid off within the twenty years it has yet to run.

It is a common thing for public improvements such as streets, sewers, etc., to be paid for by special taxes assessed against and served by these improvements. A street railway system can be handled the same way, the steel rails down the center of the street being considered a part of the street just as much as the concrete or asphalt. Kansas City now levies annually a special assessment against all the land in the city for the park and boulevard system. Therefore it is no departure from present practices, merely an extension of accepted procedure to cover another public necessity.

The ordinance lodges control of the system in a board which is expected to function like our school board, generally conceded to be successful in handling the school system in a businesslike way. As the first members of this board are named in the ordinance, the first board at least is not subject to political appointment and there are no political strings on them. Also the board is required by the ordinance to use the present staff of the street railway system and give preference in employment to former employees, which provision is intended to prevent political interference with the personnel.

The ordinance fixes the rate of fare at six cents, with children at half fare or free if accompanying an adult relative. The rate of fare is set at six cents because the company's figures show that it has furnished street car service at 5.62 cents per passenger, which included all operating costs and full maintenance of the property, and at this rate a small operating profit should be made, which the ordinance provides shall be used to further reduce fares if possible, or to improve the service or to increase the wages of employees.

Edward White.

Kansas City, Mo.

*

"Management" in New Hampshire.—The activities of management through holding company and affiliates, were exposed and curbed recently by the New Hampshire public service commission.

The commission initiated an investigation of the operating and capital charges made by the Associated Gas and Electric Company and its affiliates to the two local operating companies controlled by the system. It ordered the production of agreements, books and records concerning all intercompany transactions affecting the local companies. This order was resisted through petition to the federal court for an injunction, which was granted with respect to the holding company and its out-of-state affiliates, but denied as applying to the local operating companies. The latter were required to furnish information with regard to their dealings with other system companies.

The commission found that the costs charged to the local companies were padded in numerous ways, and that the local profits were tapped off to the system under the guise of operating expenses, capital charges and interest payments. The principal items were as follows:

1. Management fees paid to out-of-state control equal to 2½ per cent of the gross revenues, plus expenses, without regard to the cost or need of the "services." The local companies, moreover, had their own quota of officials who presumably were competent to perform all necessary management.
2. Engineering fees paid to outside control equal to 7½ per cent, plus expenses, on all construction costs.
3. Fees of 1½ per cent, plus expenses, upon all purchases made by affiliates in behalf of the local companies.
4 Expenses of activities of the outside companies charged to the local companies, including the differences between the market and issue price of stock sold to employees.
5. Charges of 8 per cent on the balances of open book accounts, which included the charges for the various "services" as well as advances for construction and retirement of securities and financial policies determined by the "management."

The commission made sweeping orders to abolish the abuses which had existed since 1926 when the local companies were acquired by the system. It prohibited further dealings in open book accounts and the payment of interest, management and other fees. It ordered the discontinuance of all practices that were prejudicial to the local companies and required the keeping of all books and records within the state except as otherwise approved by the commission.

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Congressional Investigation of Utility Control.—Management fees, payments for various "services" and financial arrangements between operating and holding companies or affiliates, have attracted attention in recent years. Various malodorous instances have not only offended the public nostrils, but have led to the widespread suspicion that the holding company "managements" generally need thorough airing.

As a result, a resolution was adopted by the House of Representatives, presented by Congressman Sam Rayburn, Chairman of the Committee on Interstate Commerce, for an investigation of the ownership and control of power companies and public utilities. The investigation will be in charge of Dr. Walter M. W. Splawn, who has been studying holding company finances and intercompany relations for the Federal Power Commission.

It is expected that the investigation will be thorough and not merely muck-raking. The facts should be brought out and published. If there are serious evils, they should be disclosed and provisions made against their future occurrence. For sound policy the full facts are needed instead of limited instances and surmises.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER ✓ *Virginia Bureau of Public Administration*

Local Government in Italy.—One of the most interesting reports to be submitted to the International Congress of Local Authorities convening in London in May of this year is that of Dr. Virgilio Testa,[1] treating of Italian local government under the Fascisti.

Dr. Testa recalls that prior to the summary reforms of February and September, 1926, which were effected by the fascist régime, local politics in Italy were, generally speaking, conducted upon rather a low level. The electoral situation was more often determined by considerations of petty jealousy, personal ambition, family animosity, and religious factionalism than by considerations of local governmental policy and administration.

The significant feature of the laws of February 4, 1926 and of September 3, 1926 is the institution in all communes, whatever their size, of an administrative chief, designated as a *podestat*, appointed for five years by the (necessarily nominal) decree of the King of Italy. This official represents the commune in all its external relations, exercises complete authority over its finances, endowments, and possessions, and issues all ordinances and regulations necessary to secure the efficient operation of the public services.

The *podestat* is assisted by a council (*consulta*), which gives its advice upon certain particularly important questions and upon any questions which the chief of the administration wishes to submit to it. The members of the *consulta* are named by the prefect, who, while free in his designation of individuals, pays close attention to the appropriate representation of economic organizations, syndicates, and local associations of trade and professional organizations, etc.[2] In the communes in which the population exceeds 100,000, the nomination of the members of the *consulta* is confided to the minister of the interior. The members of the *consulta* are not paid, but are entitled to reimbursement for their expenses in attending sessions of the body. The *consulta* is called together on the motion of the *podestat* whenever necessary. The *rapporteur* indicates that the number of questions referred to the *consulta* is higher than would be expected and shows signs of a steady growth.

In communes of more than 20,000 inhabitants the advice of the *consulta* is obligatory for certain specific matters having to do, for the most part, with finance and public works.

In communes exceeding 100,000 in population the advice of the *consulta* is obligatory in all of the similar cases with certain exceptions.

While in instances in which mandatory consultation is not provided by law, the *podestat* does not have to secure the opinion of the council, the *rapporteur* is of the opinion that the generally admirable results which have come from the good advice of the *consulta* is leading to its increasing use on non-mandatory items, and by this means the *consulta* is on its own merit, as it were, gaining a position in which it can supervise and control almost the entire communal administration. The sessions of the *consulta* are not public, but the people are aware through the press of the problems with which the *podestat* is confronted, and in consequence of the advice thereupon of the *consulta*. The *Albo Pretorio*, a bulletin published for each commune, contains also notice of all decisions of any importance.

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[1] This article appears in *L'Administration Locale* for the period ending December, 1931.

[2] The choice of members of the *consulta* is arranged in a manner designed to guarantee to all of the classes of operators and of laborers a proportional representation. In effect, the number of representatives of operators is equal to those of intellectual and manual labor combined. Generally three-fourths of the places accorded to representatives of operators are given to agriculturalists, industrialists, artisans, and business men, and the remaining one-fourth to those who represent the other forms of production. In the communes where maritime transport is an important factor in the economic life of the city, three-fourths of the places are given to agriculturalists, industrialists, artisans, business men and shippers, and the remaining one-fourth to the other forms of production.

The *podestat* supervises directly the administration of those functions and the execution of those decisions concerning which he is not under the law obliged to have recourse to the *consulta*. There does not exist in the communes executive action independent of deliberative action on the same subject.

In case of divergence of opinion between the *podestat* and the *consulta*, the *podestat* is empowered finally to resolve the issue after listening to the advice of the council. Subsequently he submits a report of the divergence to the superior authority charged with examining the deliberations of the communal authorities for conformity to the law. In case of error on the part of the *podestat* he is subject to suit for damages.

The *podestat* is responsible for all of the measures which he promulgates. In order to protect the interests of the commune, the law contemplates the intervention of administrative sanctions, more or less severe, which ultimately may result in the revocation of the *podestat's* commission by royal decree.

The *podestat* is himself responsible for damages suffered by the commune under the following circumstances:

(a) For alienations, sales, leases, adjudications, etc. effected without observing the legal regulations governing the same.

(b) For negligence in the collection and accounting of contributions and other revenues of the commune.

(c) For the presentation of budgets artificially prepared with the view of obtaining a fictitious equilibrium.

In action on any of these counts appeal will be either to the superior administrative and political authorities or to the courts.

The functions of the *podestat* is gratuitous except under unusual circumstances, in which case an indemnity is allowed according to a scale established by the minister of the interior in relation to the economic conditions of the commune.

COMMUNAL COMMISSIONS

In addition to the council, numerous commissions of various sorts are charged with duties in the communal administration. Some of these commissions are purely consultative, others are administrative bodies having virtually complete control over the service which they conduct. Formerly some of these commissions had in fact an independent taxing authority, but in the recent law this power has been suppressed. In all the communes, however, there exist certain commissions not formed under the legal regulations governing the constitution of supervisory committees for the public services (mainly laws governing supervisors of utilities), which function more or less independently of the *podestat*, particularly in the metropolitan centers.

All commissions which are nominated by the *podestat*, once they have been established by the laws or ordinances of the municipality, perform their functions in periodic meetings, the frequency of which varies with the importance of the service with which they are entrusted. The committees which are purely consultative in character report their findings to the administration each time they convene. The other commissions present periodical reports at stated intervals. Certain commissions, however, which are constituted and function under a specific statutory mandate, do not report and are not compelled to provide the local administration with any account of their activities. The chairman of a commission is in general named by the *podestat* and only in exceptional instances chosen by his confreres of the committee.

PROVINCIAL ADMINISTRATION

For the performance of regional functions and for securing regional tone in both politics and administration, Italy is divided into provinces, the administrative organization of which is similar to that of municipalities.

The chief administrative official is the *preside*, who is assisted by a council called the *rettorato*. This council is composed of from four to eight members, varying according to the importance of the province and its population. To this number of councillors are added two substitutes in each instance. These councillors are named by royal decree upon the nomination of the minister of the interior. They are not paid, and serve four years. Their commissions may be renewed. As a deliberative body the *rettorato* is consulted on a considerable range of matters.

The sessions of the council occur upon convocation by the *preside* when he considers them necessary. They are not public but, like municipal councils, summaries of their deliberations appear in the press and in the *Albo Pretorio.* Any councillor who, without good reason, misses three consecutive council meetings is dismissed and replaced.

The executive functions of the provincial administration are confided to the *preside,* who is aided by a *vice-preside* who replaces him in case of sickness or other disqualifying circumstances. The *preside* and his assistant are named by royal decree for four years. Their functions also are performed gratuitously except in unusual circumstances wherein an indemnity is allowed by the Minister of the Interior. The *preside* represents the council in all public relations and when the council is not in session. He represents the province before the courts, he prepares the budgets, and exercises complete surveillance of employees and of the provincial bureaus. He appoints and discharges laborers (as distinguished from employees), and determines their salaries. He is also authorized to exercise disciplinary power over the employees and laborers for negligence, for malfeasance, and for misdemeanors. The *preside* and his councillors are subject to the same provisions of law which were mentioned in discussing the liability of the *podestat* in case of infraction of laws of the state and regulations of the central administration, or in the promulgation of legal measures or of acts which are inimical to the interests of the administration or of the citizens. The provincial administration contains also a certain number of commissions nominated by the council and charged with the supervision of institutions of which they are named directors.

PERSONNEL OF COMMUNAL AND PROVINCIAL ADMINISTRATION

The personnel of the communal and provincial services may be divided into two categories: The employees of the administration itself, and the technical employees. The first category is further divisible into three classes: The officials, the clerks, and ordinary workers. The technical employees comprehend those who are not attached to the "staff" departments, such as engineers, doctors, architects, etc.

The officials and employees of the communes are named by the *podestat,* with the exception of the chief secretary, who is named by the prefect. The officials of the province, including the provincial chief secretary, are named by the *rettorato.* They exercise their functions under legal provisions and regulations which outline those functions and the responsibilities which attach to them, supplemented by detailed orders from the chief of the administration or the chief secretary. The employees of the other classes exercise their functions upon the basis of instructions of the bureau chiefs. Within the limits of the regulations and legal requirements mentioned above the officials are empowered to adopt all measures and administrative orders necessary to assure the proper functioning of the public services, and for all of those orders they are responsible. However, those acts which impose a responsibility upon the administration or are a charge against the budget must be approved by the *podestat* in the communes, and the *rettorato* in the provinces.

The chief secretary of the commune assists at sessions of the council, and likewise the chief secretary of the province, at those of the *rettorato.* They have the right to give their advice in a purely consultative capacity upon the questions before the councils. This same right to be heard extends to meetings of officials. The chief secretary exercises, in fact, immediate control over the entire subordinate personnel of the administration. As Dr. Testa points out, the recruitment of secretaries-in-chief is one of the most difficult problems in Italian local government today.

FINANCIAL OPERATIONS OF COMMUNES AND PROVINCES

The approval of communal budgets is a function of the *podestat,* the council concurring; that of the provincial budgets, a function of the *rettorato.* The same thing is true of the levy of taxes as well as the surtax which the local authorities may impose upon property—the latter of which constitutes still the most important source of revenue for the provinces and a principle source for the commune. The budgets after being approved by the *podestat* or by the provincial council are subject to the review of the prefect (representing the state executive power in the provinces), who is authorized to nullify all items in which he perceives irregularities. In any instance in which, for meeting the costs of public services or for satisfying contractual obligations, the *podestat* is authorized to request a supplement to the property tax superior in amount to the maximum prescribed by law, the approval of the items in the budget for which this additional levy is requested is confided to the *Giunta Provinciale Amministrativa*, which is a committee composed of five state officials and of one member not of the administration, and presided over by the prefect. Under these same conditions the provincial budgets are approved by royal decree upon request of the Minister of the Interior and the concurrence of the Council of State.

The authorities charged with this revision of local budgets are commanded to eliminate excesses in the estimate of expenses and in suppressing all those which do not appear extremely urgent. They are also empowered to assure themselves that adequate funds are calculated for meeting the needs of public health, instruction, welfare, transport, and agriculture, and that these do not exceed ten per cent of the ordinary receipts. The *Giunta Provinciale Amministrativa* reviews also the decisions of the *podestat* or the *rettorato* concerning any additions to the customary objects of local expenditure, or those which involve charges against the budget for more than five years. In all other cases the decisions of the *podestat* in communes of the second class are subject to the approval of the *prefect,* both as to law and policy, while in the communes of the first class this prefectorial supervision is confined to the simple certification that the laws have been observed. The same dispositions apply to the decisions of the *rettorato.* In any case in which the prefect or the *Giunta Provinciale Amministrativa* find it impossible to approve a decision of the *podestat* or *rettorato* it must give their reasons for so doing. Their decision, however, is conclusive. The budgets of the communes and provinces are presented in March of each year, and after receiving the approval of the *podestat* and his council or of the *rettorato* they are published in the *Albo Pretoria.* After this any citizen who wishes may present his objections to the budget, which are examined by the council of prefecture (composed of a prefect and four state officials). The decision of the *council of prefecture* is published also in the *Albo Pretorio,* and appeal on points of legality lies to the *Cour des Comptes.*

THE GOVERNMENT OF ROME

The government of Rome, like that of practically every other European capital, is constituted under a special statute. The chief of the Roman administration, the *governatore,* is named by royal decree upon the proposition of the ministry of the interior, and the concurrence of the council of ministers. This official is aided in the exercise of his functions by the *vice-governatore,* who is also appointed by royal decree. There is further a secretary-general who is a civil service official of the same grade as prefect.

The *governatore* and his assistants exercise for the city of Rome all of the functions which were noted as belonging to the *podestat,* the prefect, and the *Giunta Provinciale Amministrativa* with the single exception that the budget must be approved by royal decree, and certain other affairs are subject to approval by organs of the central administration.

The *governatore* is assisted by a council of twelve members named by royal decree for four years.

The *governatore* is aided by a few commissions, among the chief of which is a sanitary commission, which is analogous in powers and organization to the provincial sanitary commissions, a commission on studies in the primary schools, and a very important mixed commission of the state and city administrations for the preservation of the artistic and archaeological values of the city.

NOTES AND EVENTS

Conviction of Chicago Sanitary District Officials.—Success marked the efforts of Cook County to prosecute former trustees and employees of the Sanitary District of Chicago charged with conspiracy, when four of seven defendants were found guilty as charged by Chief Justice Harry M. Fisher of the Criminal Court February 5, 1932.

Timothy J. Crowe and Frank J. Link, former trustees, were found guilty and sentenced to serve maximum sentences of from one to five years in the penitentiary. John T. Miller, former superintendent of plants and structures, and Martin Edelstein, former head of the real estate department, were sentenced to serve six months and three months respectively in the house of correction, and were each fined $2,000 and court costs. John J. Touhy, John M. Whelan, now trustees of the district, and August W. Miller, former trustee, were found not guilty on the ground that the evidence did not connect them sufficiently with the conspiracy. Two other trustees, originally indicted, have since died. Other defendants, one of whom fled and was recently returned after a three-year absence, await trial.

The case is remarkable in many respects. All of the defendants were active leaders in both political parties. The prosecutor, John E. Northrup, has frequently charged that efforts had been made to "bury the case." The evidence, however, adduced by the testimony of some 750 witnesses, presented a situation which Judge Fisher characterized as "despicable" indicating that a "huge" conspiracy existed to rob the public treasury. It was shown that hundreds of employees were paid salaries without ever rendering any service; expense accounts were paid for trips of investigation that were never made; dummy corporations were organized and contracts were let or purchases made upon which enormous profits were had, involving overcharges running from 90 to 700 per cent. It was shown further that a bridle path was constructed at a cost of $1,068,000, whereas the work would have been expensive at one-third of the sum. Perhaps most notable was the evidence that scores of members of the Illinois legislature, in the language of the court, had "received from the coffers of the municipality vast sums of money by themselves going on the payroll or by members of their families or favorite friends being put upon it without ever rendering one dollar's worth of service."

The conspiracy cases are only one phase of a three-fold attack on the sanitary district mismanagement. The criminal cases grew out of an investigation of the district's affairs started in January, 1929, by Attorney Frank J. Loesch, who was then and still is president of the Chicago Crime Commission, while he was a special state's attorney appointed to break up the alliance of crime and politics. Formal demand for an inquiry was made by the Citizens' Association and the Chicago Bar Association. First Assistant State's Attorney Northrup was assigned to the case and worked in secret for several months before presenting the evidence for indictments. For more than a year the indictments remained in the office of the clerk for the criminal court. The case was twice reassigned after vigorous protest by Northrup. When the defendants waived jury trial, Judge Fisher called in two associates to sit with him in an advisory capacity.

Another phase of the prosecution is a civil suit filed on April 21, 1930, by the *Chicago Daily News* to force an accounting of the millions of dollars alleged to have been spent fraudulently by the trustees of the sanitary district during

1927 and 1928, and to compel restitution of the money to the district. Mr. Loesch is also associate counsel in this proceeding.

These suits name 36 defendants and will come to trial in due course. They charge that approximately 3,200 names were added unlawfully to the payrolls involving fraudulent misappropriation of more than $4,000,000 to pretended employees. They also allege that upwards of nine million dollars, derived from the sale of bonds and real estate, was illegally diverted.

A third proceeding against the Tim Crowe "whoopee" régime was the two-year investigation of the district's law department by the Chicago Bar Association's committee on public law offices. As a result, several attorneys refunded money paid to them and disciplinary and disbarment proceedings were filed against 55 lawyers on the district's payrolls during the period. The Illinois supreme court appointed Circuit Judge Thomas Taylor as commissioner, who conducted hearings over a period of six months and on July 8, 1931, in a 175,000 word report, recommended that nine attorneys be disbarred permanently, eleven suspended from practice of law for two years and 27 for one year. Seven others were cleared. The supreme court has not yet ruled finally in the matter.

Edward M. Martin.

⁂

Alfalfa Bill Murray's Initiative Program Defeated in Oklahoma.—In his first message, January 14, 1931, to the legislature, Governor Murray demanded the enactment into law of several of his campaign promises, and, especially, those regarding taxation. The legislature approved his state tax commission bill. It also passed an income tax measure but it was not to his liking. The senate defeated his major unemployment relief scheme, and on this occasion, the governor in a second message, February 4, denounced the whole legislature in thunderous tones, and announced that if necessary he would carry the fight directly to the electorate. But he failed to move the senate his way and was forced to carry out his threat.

After a long delay, which he never explained publicly, he announced on October 15 his initiative program. He set October 24 as the day for signing initiative petitions. With much display of the event, practically all the signatures required by law were secured in the one day.

His program contained three constitutional amendments and four legislative bills. The amendments were: (1) An ad valorem measure which abolished the state ad valorem levy and reduced it on others; (2) a land escheat measure; and (3) a budget officer measure which permitted the governor to make the budget and required a three-fourths vote of the legislature to increase any item in it. The legislative bills were: (1) An income tax bill which reduced the rate on the low brackets and raised it on the higher ones; (2) a cotton and wheat acreage control bill; (3) an unemployment relief bill based on an extra cent on the sale of gasoline, and (4) a free textbook bill.

Governor Murray immediately began the campaign for the adoption of his measures. He was the chief speaker for the Murray forces, and, of course, brought all pressure to bear on the state administration to help him toward success. The opposition, organized under the headship of a "Citizens League for Constitutional Government," sought to block the program in the state supreme court but got no relief. The people went to the polls with the legality of the election in doubt.

The campaign was bitter and both sides resorted to much vilification. As soon as the time for court litigation had expired, the governor on December 4 announced that he would submit only four of the measures to a vote on December 18. He dropped, as he claimed, for technical reasons, the ad valorem amendment, the cotton and wheat control bill, and the unemployment relief bill. The opposition continued its fight on all remaining measures.

Most of the opposition came from within the Democratic ranks. Four of the state elected officials, namely, the attorney-general, the superintendent of public instruction, the auditor, and the commissioner of charities and corrections vigorously opposed the whole program. Many other officials and former ones attacked it. The Republicans were not very loud in their opposition.

The measures submitted failed by a range from 27,774 to 51,520 votes of a total of 447,038 votes cast in the election.

Lionel V. Murphy.

⁂

Have Wisconsin Taxes Choked Progress?—In the summer of 1929 the *New York Times* published an editorial in which it said that Wisconsin has been reduced by "emotional politics and rash interference to a plight from which at best she will be slow to recover." "Industrial progress" has been "choked." Wisconsin has been made "an experiment station, but years of it have shown that it is mighty expensive."

This statement and viewpoint are typical of many others found in recent years both within and without Wisconsin. To determine the validity of such criticisms, the Bureau of Business and Economic Research at the University of Wisconsin recently made an extended tax and business survey, covering the seven neighboring states of Wisconsin, Minnesota, Illinois, Indiana, Michigan, Ohio and New York. The result was the publication by the bureau a short time ago of *Wisconsin Industry and the Wisconsin Tax System.*

The survey had three objectives. First, it attempted to determine all the facts concerning Wisconsin's economic progress as compared with those of other states. This was done through thirty tests of industrial development, covering every field of economic activity, such as growth in manufacturing, net income of corporations, building construction, state income, payrolls, banking, growth of population and cities and similar indices. Many adverse statements made about Wisconsin's industrial position are based on the prominence the state income tax occupies in its tax system.

The second part of the survey was devoted to the question of tax burdens and public debts in Wisconsin as compared with those of other states. The study used twenty tests of relative tax burdens to examine the tax situation in the seven states considered. Among them were growth in total tax levies, tax burdens on general property, growth in special taxes, per capita taxes, public debt burdens and taxes on corporations.

The third section of the survey was devoted to an examination of the tax burden on manufacturing. For many years the focal point of criticism of the Wisconsin tax system has been the effect of its income tax on the development on manufacturing. All current methods of studying relative tax burdens on industry were critically examined. The survey was aided by an elaborate statistical study made by the bureau of internal revenue for the University of Wisconsin.

The survey was aided by the fine coöperation of many tax officials in the seven states and the statistical sections of the bureau of internal revenue and the bureau of census. Numerous private agencies, such as *Dun's Review* and the F. W. Dodge Corporation, also aided. On the other hand, the investigator was handicapped at many points by the complete lack of knowledge of tax and debt burdens which prevails in some communities. Many states now spending nearly 10 per cent of their state incomes on taxes are totally unaware of the burden of either their total state and local taxes or their bonded debt.

The study led to many interesting conclusions. In the analysis of thirty tests of industrial progress, computed on a trend basis for recent years, Wisconsin ranked very high in relative growth. What growth Wisconsin might have made under a different tax system could not be determined.

In twenty tests of relative tax burdens, Wisconsin was found to have a better tax and debt situation than was the case in New York, Ohio, Michigan, Illinois and Minnesota, but was not as successful in keeping down tax burdens as Indiana. Wisconsin's policy has resulted in a lower debt burden than was the case in any competing state. Wisconsin and New York, both of which have state income taxes, had smaller burdens on general property than did their neighboring states.

The tax burden on all corporations in Wisconsin, according to the federal data used, appeared to be about average for all corporations in the United States. On the other hand, Wisconsin's income tax law appears to place a somewhat heavier tax burden on manufacturing than is the case elsewhere, in spite of lower general property taxes in the state.

The survey shows quite clearly the rapidity with which tax levies have grown in all communities in the last few years. For the seven states, total state and local tax levies have increased 44 per cent from 1925 to 1930, during which time population grew very slowly. In 1930 per capita state and local taxes in this group of states exceeded $71 and took 10 per cent of the total incomes of the inhabitants of these states, while the per capita state and local bonded debts averaged over $141.

During the last three years for which data were available, state and local taxes have taken 17.4 per cent of the net profits of all corporations in the United States and 12.1 per cent of the net profits of manufacturing companies.

The bulletin is one of a series of tax studies being prepared and published at the University of Wisconsin under the supervision of Dr. Harold M. Groves, professor of taxation.

GEORGE L. LEFFLER, PH.D.
University of Wisconsin.

Cincinnati's Land Assessment Cut Ten Per Cent By the State Tax Commission.—In compliance with the state law of Ohio the city of Cincinnati submitted to the county budget commission in June, 1931, its budget estimate for the year 1932. It was a retrenchment budget the only increases being those necessary to finance new activities, certain enlarged operations, the retirement fund and unemployment relief.

Subsequently the real estate appraisal became one of the footballs of the municipal campaign despite the fact that it was purely a county issue. Every effort had been made by the county auditor, in collaboration with the real estate board, to make a scientific appraisal in accordance with modern principles of real estate appraisals. The ultimate desire was to equalize assessments on all property. But after the final assessments had been announced through the newspapers, a group of property holders appealed to the state tax commission for a general cut of 10 per cent in the total tax duplicate. They plead that property values had been materially deflated as a result of present economic conditions, and that the valuations established were excessive and burdensome. Several hearings were held before the tax commission and it may be that with bitter fighting the valuations could have been sustained. However, it was nearing the close of the year, and to have fought for the appraisals as established might have jeopardized the revenues and certainly affected the cash position of the city, schools and county for 1932. As a compromise the county auditor submitted to the state tax commission a proposed cut of 5 per cent on the land duplicate. The state tax commission refused the 5 per cent cut and almost immediately voted for the full 10 per cent cut on the land duplicate.

The city of Cincinnati was in a precarious position. It had determined in June the amount of taxes which were needed to operate the city during 1932 under the provisions of its home rule charter. The county budget commission from these estimates had determined the tax rate for the city based upon the estimated tax duplicate submitted by the county auditor. The tax rate which had been established was well within the limit of a maximum tax levy allowed by state law. The question which immediately arose was whether the city had the power to change its tax rate in order to assure the revenues needed as expressed in the June budget. It finally developed that it would be necessary to take the question to court in order to reach a decision. Rather than to jeopardize the revenues for the schools, county and city for the year 1932, the city finally accepted the cut and prepared to reduce its June estimates.

The net cut in the operating budget was $338,760. Of this amount $116,197 was deducted from the appropriations of the division of welfare for unemployment relief. This activity will be financed by short term bonds authorized by the Pringle Act. Other cuts made include a cut of $57,500 from the appropriations of the division of waste collection and disposal. This cut will make it necessary to revise the schedules of collection of combustible refuse during the winter months. The $20,000 deducted from the codes of the fire department will postpone the complete equipping of two new fire companies located in the suburbs. Almost every appropriation code was affected to some degree. No new positions were created, no vacancies will be filled unless absolutely necessary, old equipment must be used for another year—these are some of the measures required to balance the final budget.

These cuts will handicap to some degree the city's operations, but every effort will be made to provide the best service possible with the funds available.

C. F. SHARPE.

⁂

Wisconsin Protects Public Bank Deposits.—Although the record of bank defaults in Wisconsin compares very favorably with those of nearby states, nevertheless some governmental units in the state have recently been involved in bank failures. Late in 1931 it became apparent that the situation would be serious. Many municipalities were informed that surety companies would not write bonds on public deposits in 1932. Even in Milwaukee various surety bonds were canceled late in 1931, making necessary the withdrawal of municipal deposits.

The situation was further complicated because municipal treasurers were notified that only reindemnifying bonds would be supplied to them in the future, that is the treasurer would have to arrange for personal sureties, and the company in turn would reindemnify the personal sureties against any loss that might accrue by reason of the dishonesty of the treasurer. This naturally created a bad state of affairs.

Governor La Follette thus found it necessary to include this subject in his call for the special session of the legislature. Prior to this session the matter was carefully considered and a bill was drafted which the banks and the surety companies agreed to. It passed both houses of the legislature with practically no opposition, and became a law shortly after the session opened, chapter 1 of the Laws of the Special Session of 1931.

Previously there was in effect a law (section 14.49 of the Wisconsin statutes) whereby state depositories were not required to provide surety bonds, but in lieu thereof one-half of one per cent was set aside out of interest on state deposits to build up a state fund for reimbursing the state for losses resulting from failure of depositories. The interest on state deposits was fixed by the board of deposits consisting of the governor, secretary of state, state treasurer, and attorney general.

The new law broadens this state fund to include bank deposits of all governmental subdivisions in the state. Every state bank, savings (and trust company) and mutual savings banks are public depositories, and national banks may become depositories by agreeing to accept the law. Except for sixty-day periods when the excess shall be kept as a cash reserve and receive no interest, no depository shall receive as public deposits more than twenty per cent of its average daily deposits during the preceding year, or not to exceed twice its paid up capital and surplus. State funds will be allocated so as to distribute evenly public deposits among banks.

Interest will be paid on active and inactive deposits of all governmental subdivisions at the same rate fixed for state deposits. An amendment will probably be adopted permitting the fixing of lower rates for deposits averaging under $1,500.

Each governmental unit will pay ¼ of one per cent each quarter into the state deposit fund, unless the rate is changed by the state board of deposits. These payments will be made by the banks but collected from the depositors. If the state fund falls too low, the board of deposits may draw on the general fund of the state to meet the losses, the general fund to be reimbursed from the deposit fund.

The state fire fund, in which governmental subdivisions may insure property at sixty per cent of commercial rates, also is backed by the general fund of the state. Shortly after establishment it was necessary to fall back on the general fund because the state capitol burned, but this was repaid and the fund now has such a large surplus that several state buildings have been financed from the fund.

Frederick N. MacMillin.

⁂

The Cincinnati Retirement System.—Cincinnati, after several years of careful study, has adopted a retirement system providing retirement allowances and death benefits for all municipal employees excepting elected officials, members of independent boards and commissions, the employees of the University of Cincinnati, the employees of the municipal court and department heads. The city council, especially the finance committee, carefully studied systems in other cities before finally establishing the Cincinnati system. In this study the city was aided by the Cincinnati Bureau of Governmental Research and one of the foremost actuaries in the country.

Membership in the system was optional to all general employees employed on August 1, 1931. Those of this group who joined the system at any time up to December 3, were given credit for prior service. The city will contribute an amount equal to the accrued liability resulting from such service. The personnel of the police and fire forces employed at the time the new system was established will continue under their separate pension plans. However, after January 1, 1932, all new entrants to the city service, including the uniformed services, will be required to subscribe to the new system.

The administration and responsibility for carrying out the provisions of the system are vested in an administrative board composed of the mayor, the chairman of the finance committee of council, the city manager, the president of the civil service commission and three members of the retirement system elected by the membership.

Optional retirement is available to members upon reaching the age of sixty. Compulsory retirement is required at seventy. On recommendation of the board, the city manager may permit a person having attained the age of seventy to continue in the employment of the city for a period of two years. This privilege can be renewed at the end of the two-year period and any two-year period thereafter if the same approval is granted.

Employees contribute to the financing of the system, the percentage contributed varying from 4.14 per cent to 7.17 per cent, depending on the age of entry. The city contributes approximately 4.8 per cent of the annual payroll at the outset. This percentage decreases gradually as prior service charges are provided for and discontinued. A member leaving the service of the city, except by retirement or death, will be paid his accumulated contributions.

Upon retirement the members receive a retirement allowance consisting of: (1) an annuity equal to the accumulated contributions at the time of retirement; and (2) a pension, in addition to his annuity, equal to one one hundred and fortieth of the member's average final compensation multiplied by the number of years of his membership service; and (3) an additional pension equal to one seventieth of the member's average final compensation multiplied by the number of years of service certified by a prior service certificate, not to exceed thirty-five years. The plan also contains provisions for retirement allowances for ordinary and accidental disability.

Ordinary death benefits are allowed to the estate of members equal to their accumulated contributions plus a lump sum payment amount to 50 per cent of the compensation received by the employee during the year immediately preceding death. Dependent widows and children of members killed in accidents in performance of duty are especially provided for.

There is no doubt that the system provides a fair and economical means of maintaining the efficiency of city services by retiring worthy employees who have reached an age where their effectiveness is impaired and replacing them with younger persons. It is hoped that the security guaranteed by the pension plan will have a beneficial effect upon the morale of city employees. On January 1 the number who had elected to join was 1,594, of whom 42 have been retired. Including fire and police 2,804 employees now on an annual compensation basis belong to the system.

C. F. Sharpe.

*

Retrenchment in Missouri.—The departments and institutions of the state government of Missouri at the instance of the governor are making a desperate effort to forestall the accumulation of a large deficit in the state treasury at the end of the present biennium. Late in November Governor Caulfield advised heads of all departments of the state government that the state was facing a financial crisis by reason of the heavy slump in revenue collections and the over-appropriations of the 1931 legislature. He advised them that the active appropriations for the biennium totaled $19,336,990, and that the actual and estimated revenues for the same period available to pay these appropriations would not exceed $14,400,000, an amount approximately 75 per cent of the appropriations. The governor reasoned that the simplest way to meet the situation was to ask all spending agencies to cut their budgets 25 per cent.

Since the governor's final announcement of a horizontal cut was not made until virtually half of the biennium had elapsed, a major portion of the 25 per cent reduction must needs be absorbed in the last half of the biennium. In other words, departments and institutions for the year 1932 would have to operate on a treasury allotment which in some instances was almost 50 per cent less than the amount which they had received during 1931. Since work programs of departments and institutions had already been entered upon on the basis of the original appropriations, and since commitments are of necessity made well in advance of the time that the money is actually spent, the governor's announcement for immediate retrenchment placed a heavy responsibility on the heads of departments and institutions.

As long as remittances from the state treasury are within the terms of the appropriation acts, the governor has no legal means to hold up payments to the spending agencies. There is, however, in Missouri the unique practice of the governor withholding final approval of certain appropriation bills, and releasing the grants provided by such acts only if the state treasury towards the end of the biennium has sufficient funds available. With respect to these "holdup" appropriations, the governor could enforce his retrenchment policy simply by refusing to release any of them. But the bulk of the funds for current operations are authorized by the appropriation acts which are approved by him at the close of the legislative session, and the only way that he can subsequently effect reductions of them is to request the coöperation of the spending agencies in avoiding a deficit. In the case of heads of departments who are his appointees, he is of course able to exert considerable pressure to exact compliance with his demands. The elective officers and detached agencies are in a more independent position, although a strong current of public approval naturally at this time supports the governor's policy, and defiance of his wishes on the part of any agency is at least a bit hazardous.

Among the elective officers, the attorney-general, the state treasurer, and the state auditor notified the governor that they had trimmed their budgets and would operate their respective departments in accordance with the reduced schedule. The board of eleemosynary institutions, the board of penal institutions, at least three of the five state teachers colleges, and a number of other agencies less seriously affected acceded fully to the governor's request.

The president of the state university was the first to question publicly the wisdom of the program of the chief executive, declaring it unwise public policy to permit a temporary financial condition to cripple the essential activities of the state university and other useful state agencies. The president and the board after a painstaking revision of the budget agreed to a 20 per cent cut, but insisted that they could not make further reductions without seriously demoralizing the institution. In applying the reduction, the president and the board are making every effort to preserve the salary standard of the institution. The superintendent of schools, the lone Democrat among the elective officers, stated in a long letter to the governor that he could not accept the cut, since he had already put into effect a revised budget as a result of a reduced appropriation, and because the new school law had materially increased the work of his department. The secretary of state, who heads a political faction hostile to the governor, it is hardly expected will fall in line with the governor's program.

While space does not permit extended criticism of the governor's method of dealing with the situation, a few words of comment may be permitted. Horizontal cuts of such a drastic character in the midst of a biennium cannot help but impair seriously necessary services. For example, as a result of the "economy" program the work of the state health department has been completely demoralized just at the time when the services of that department are most needed. More vigor in the collection of revenues would undoubtedly add appreciable sums to the available funds. If the governor had inaugurated his retrenchment policy at least three or four months earlier, which he might well have done, revision of budgets would have been considerably facilitated. While recurring deficits are seriously objectionable, deficits in extraordinary situations may be justified and certainly are not inherently evil. The whole affair does reveal the need for reorganization and consolidation of administrative agencies and the need for a real executive budget system. The realization of these needs has finally dawned upon the governor, and he is making them the swan song of his administration.

Martin L. Faust.

⁂

New York to Have New Building Code.—A revised building code for New York City has been submitted by the Merchants' Association of New York to Mayor Walker who has promised his coöperation in securing its passage. The code is an involved document, designed to improve the quality of buildings in the city at a saving estimated at not less than $50,000,000 in any year of normal building activity. George H. McCaffrey, director of the research bureau of the Association and well known to the readers of the Review, served as the executive officer of the various technical committees which participated in the work.

⁂

Mayor "General" Coxey's proposal to issue non-interest bearing bonds in small denominations for poor relief, the bonds to circulate as money in Massillon, which was described by Roy V. Sherman in the February Review, has been held to be illegal by the Ohio tax commission. Under the Ohio law, the commission explains, bonds are limited to five years unless they are for public improvements.

⁂

Miller Elected Mayor of Cleveland.—Ray T. Miller, the 39-year-old Democratic prosecutor of Cuyahoga County, was elected mayor of Cleveland over ex-City Manager Daniel E. Morgan by a majority of almost 6,000 votes in a total ballot of 197,000. The result is interpreted as a blow to the Maschke Republican organization. Mayor Miller faces many burning problems, not the least of which will be the council, which was elected last November under proportional representation.

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CONTENTS FOR APRIL

EDITORIAL COMMENT . . . . *H. W. Dodds* 209
HEADLINES . . . . *Howard P. Jones* 213
THOUGHTS ON TAX DELINQUENCY . . . . *W. Earl Weller* 215
NORFOLK'S MUNICIPAL PRISON FARM
Glen Leet and John McLaughlin 218
THE FATE OF THE PINCHOT RELIEF PROGRAM . . . . *H. F. Alderfer* 221
MEASURING PUBLIC WORKS EFFICIENCY . . . . *Donald C. Stone* 226
WHAT MUNICIPAL HOME RULE MEANS TODAY
IV. Washington—Little Home Rule by Constitutional Grant
Chester C. Maxey 229
THE CRAIN REMOVAL CASE AND THE STATISTICAL METHOD
Edward A. Williams 232
HOW AMERICAN CITIES ARE RETRENCHING IN TIME OF DEPRESSION—
A Supplement . . . . *Harry H. Freeman* 267

DEPARTMENTS

I. Recent Books Reviewed 242
II. Judicial Decisions . . . . *Reviewed by C. W. Tooke* 246
III. Public Utilities . . . . *Edited by John Bauer* 252
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 256
V. Notes and Events . . . . *Edited by H. W. Dodds* 260

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THE LEAGUE'S BUSINESS

Consolidation of National Municipal League and Proportional Representation League.—On May 1 the Proportional Representation League will move from its present quarters in Philadelphia and will consolidate with the National Municipal League.

The proposal to merge the National Municipal League and Proportional Representation League was initiated at the meeting of the Council of our organization at the Buffalo convention last November. At that time the Council referred the matter to the Executive Committee with power to act. On December 4 the Executive Committee met and approved the details of the merger, but submitted a statement regarding it to all the officers for their opinion. The majority of the officers voted in favor of proceeding with the consolidation. The opinions of the officers were submitted to the executive committee at its meeting on February 19 and the executive committee finally approved the project. Meanwhile the proposal has received the approval of the officers of the Proportional Representation League.

According to the plans of the consolidation, the present staff of the P. R. League, consisting of George H. Hallett, Jr., Walter J. Millard, and Miss Elsie S. Parker, will be added to the staff of the National Municipal League. The P. R. League will retain its letterhead, its corporate existence, and its officers, and will act on its own wherever the promotion of proportional representation can best be carried on independently of the other reforms advocated by the National Municipal League. In addition there will be created a standing committee on proportional representation, representing both organizations, to give advice to the secretary and his staff regarding the comparative emphasis to be placed on proportional representation and the activities to be carried on in that field.

The *Proportional Representation Review* will be discontinued as a separate publication. Instead, a section on proportional representation will be carried regularly in the NATIONAL MUNICIPAL REVIEW. All members of the P. R. League not already members of the National Municipal League will be added to our membership for the rest of the current year; but will be solicited for membership in the combined organization in following years.

By the terms of the agreement approved by both organizations the consolidation can be dissolved at any time by either party upon six months' notice to the other. This action is therefore not conclusive for all time, but is subject to trial and later dissolution if found unsatisfactory. The action is being taken because it is believed that the interests of both organizations will be advanced much more rapidly by a consolidation of finances and staff.

On May 1, when the merger takes place, the headquarters of the combined organization will be moved to 34th Street and Second Avenue in a building formerly occupied by Columbia University as its dental school. The new location will make it possible to have twice as much office space for less than one-half the present rental and will be a measure of considerable economy.

RUSSELL FORBES, *Secretary.*

Editorial Comment

April

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The Dallas recall election which was reported last month in this department was held by the courts to be contrary to the charter in that the petitions sought to remove the whole council by blanket recall. A second group of petitions seeking to recall individual councilmen was submitted but found to contain only one-half the required number of valid signatures. There is, therefore, no immediate prospect of a recall election.

*

St. Paul's salary index has not been wrecked, after all, on the rock of falling prices, as was intimated in this department in the February issue. The earlier decision to suspend the operation of automatic decreases on January 1, in pursuance to the falling price index, has been reconsidered. According to newspaper reports, the system was to be resumed as of March 15. It was estimated that the action would reduce salaries this year approximately $120,000.

*

Administrative Reorganization in the Federal Government

Pursuant to President's Hoover's recommendations, a resolution has been introduced into the House of Representatives granting to the President power for one year to effect reorganizations in the administrative branch of the government. Any new division which the President might create could not have more than 80 per cent of the number of employees or pay more than 80 per cent of the combined salaries of the abolished unit. Another measure introduced to the same effect allows the President two years to complete the reorganization. Still another bill would create a reorganization board, comprised of two senators, two representatives and a fifth member appointed by the President. The findings of the board would be reported to the President who could, on the board's recommendation, transfer the whole or any part of a bureau or branch from one department to another or consolidate, as may be deemed necessary.

In this connection it may be noted that the President's recommendations relating to the civil service commission bear close resemblance to the personnel provisions of the forthcoming revision of the League's *Model Charter*. What Mr. Hoover has recommended is a director of personnel with a commission acting in an advisory capacity. The revised *Model Charter* will provide a director of personnel as the executive officer of the department and head of the personnel board. The functions of the personnel board, however, will be confined to the approval or disapproval of rules recommended by the director, and to the hearing of appeals with the power of advisory opinions only.

◆

Excessive Cost of Land Condemnation New York City is paying far more than the fair value for land condemned under eminent domain, reports Leonard M. Wallstein, special assistant corporation counsel. In 371 condemnation proceedings from 1926 to 1930 the owners claimed a total value in excess of $203,000,000. The city's real estate experts valued the land at $107,000,000 and the supreme court awards aggregated $157,000,000, including interest in some cases. On the average, the city paid 67 per cent more than the assessed valuation of the land it took. In the four years studied it also paid fees to its own real estate experts totaling almost $2,000,000. Their services are described by Mr. Wallstein as "obviously futile in view of the supreme court's practice of basing awards on figures midway between valuations claimed by the city and those claimed by owners whose land was condemned."

Existing methods carry an unpleasant political flavor also, declares Mr. Wallstein. Unsaleable land has been unloaded on the city at fancy prices for the profit of politicians and other insiders. Organized groups of speculators have reaped large profits by buying property shortly before the public announcement of its selection by official agencies. There has been collusion between public employees and private interests. Dummy operators commonly serve as puppets for undisclosed principles.

◆

Municipal Ownership and Respect for Private Property Government ownership of municipal electric plants is contagious, writes Francis X. Welch in *Public Utilities Fortnightly* under the caption, Is the Municipal Plant a Social Phenomenon? By a spot map of municipal plants he reveals that the natural soil of municipal ownership in this country is the Pacific Coast and the Middle West. This is because the residents of these areas are less individualistic and less respectful of private property than the rest of the country. This in turn is because the municipal ownership regions were settled principally by free grants of land from the national government or by sales at moderate prices. The present owners, therefore, have small respect for the value of real property and place a correspondingly heavier emphasis upon human or social rights. The landowner on the Pacific Coast or in the Middle West is annoyed to see public utility corporations making money while he can bearly make ends meet, believes Mr. Welch. If utility companies recognize that government ownership cannot survive in soil unadapted to it they will be nearer the solution of the problem of how to prepare an adverse soil.

There is certainly a suggestion here for the public relations counsels of utility concerns. If they adopt it we shall be subjected to a vast educational campaign to inculcate greater respect for property rights in general. But who can say whether the property concept of a Virginia farmer is sounder than that of his agricultural brother in Kansas or Nebraska (assuming they are different) simply because it arose earlier in our national history? And do our homestead laws really explain sentiment for municipal ownership? Pioneers moved West in order to enjoy the blessings of private property which the economic system as developed on the Atlantic Coast denied them. "Interesting if true" is the correct reply to Mr. Welch.

Constructive Proposals for Local Government Reorganization in New York

The Institute of Public Administration has submitted a memorandun on the reorganization of New York local government to Governor Roosevelt which he has made the subject of a special message to the legislature and a radio address to the public. Pointing out the confusion in local government today, one evidence being the 11,000 tax collectors for the towns, villages and school districts of the state, who in the language of Philip Cornick (apparently designed to go down in history with "Lafayette, we are here") form a greater army than that which won the battle of Marathon, the Institute calls for an official commission to canvass the possibilities of reform.

The memorandum, to which the Governor is careful not to give unqualified approval, describes the consequences of an outgrown system of local government. One which is emphasized is the undue growth of state supervision and state aid. State supervision, believes the Institute, tends to develop red tape and bureaucracy by confusing responsibility and is a dangerous palliative for the failure properly to coördinate work and resources. (Undoubtedly, there is danger in this direction although we have not observed that anyone has yet immunized state government against the dreaded bureaucracy bacillus.) Certain proposals are suggested for consideration, one of the most interesting being the absorption of sparsely settled rural areas into a state reserve which the state would administer directly and exclusively. For other rural and semi-urban regions the Institute suggests the transfer of certain county functions to the state and the establishment of state administrative areas for the administration of the transferred services.

Recommendations for the readjustment of city-county-village relationships follow a principle which has recently come to the front, notably in the report of the New Jersey Tax Survey Commission. Under this scheme cities and villages of less than 25,000 population are to be made limited municipal corporations and to suffer the transfer of such activities as police, health, welfare, assessment, and tax collection to the county government. Cities between 25,000 and 100,000 are to be empowered, with the approval of the voters and with the consent of the county government, to transfer such activities to the county. Cities of over 100,000 population are to be established as "free cities" wholly independent of the county.

Although the Governor has expressly withheld his endorsement, he hopes that the memorandum will stimulate discussion and understanding of the problems of which it treats. But even with such limited executive support the straightforward character of the document will undoubtedly serve materially to accelerate the already overdue remodeling of the local government structure of the state.

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Vacant Land in Suburban Areas

A sensational appreciation of real estate values in Cook County, Illinois, and the subsequent violent deflation, have left assessments in a confused state, report Herbert D. Simpson and John E. Burton of the Institute of Economic Research of Northwestern University in their recent study, *The Valuation of Vacant Land in Suburban Areas—Chicago Area.* But, although the report is primarily designed to assist the tax assessor to a fair valuation of the land, certain significant facts revealed have an implication beyond the mere technique of assessment.

A most surprising situation with respect to land utilization, with a distinct bearing upon the food supply of Chicago, has been uncovered. In Cook County alone there are 331,000 acres of vacant land. Of this 240,361 acres are unsubdivided and devoted generally to agriculture; but there are also 335,260 vacant lots. In the county as a whole 50 per cent of the total area has been subdivided but less than 55 per cent of the subdivided portions has actually been improved. Even within Chicago 30 per cent of the lots are still vacant; outside the city 69 per cent of the subdivided area is vacant. This, in the words of the authors, means that thousands of acres of the finest agricultural land all over the county have been taken out of agricultural production and assigned to idleness for decades to come.

Cook County, declare the authors, measured in value of products, remains one of the most important agricultural counties of the state; but its agricultural resources have suffered severely from the subdivision craze. Today there are districts in the county in which the population will have to increase at more than twice the rate estimated by the Regional Planning Association in order to absorb present subdivisions by the year 1960.

The present depression re-directs attention to the possibilities of linking small scale agriculture with industrial employment as a means of economic stability and an improved way of life, as well as an avoidance of the great social waste created by withdrawing land from its natural utilization. Of course, the problem is not peculiar to Chicago. It suggests, however, that we shall eventually reach a point where subdivisions will be treated as a business affected with a public interest requiring official certificates of convenience and necessity before they can be undertaken. Apparently "rugged individualism" faces attack on another front. The logic of city planning leads irresistibly to this conclusion.

Assessment policies, likewise not peculiar to Cook County, stimulated uneconomic speculative subdivisions. In the period of prosperity following the 1921 depression, the appraisals of local neighborhood assessors were made at moderate values on a roughly agricultural basis. The result was a virtual subsidy to the subdivision of lands within the urban influence. Some years later, however, when values had ceased to advance and when local governments were pressed for revenue, the whole county was assessed largely on the assumption that it was all suburban land ripe for subdivision. Again the consequence was to penalize agriculture by encouraging wasteful withdrawals from agricultural uses.

Undoubtedly, the rapid development of city planning ideas during the last decade is merely a foreshadowing of what the concept will in time comprehend. Only a prophetic vision would disclose the degree of social control over land utilization which future years will see. Undoubtedly, it will be far beyond anything we now know. And in this development the tillage possibilities (involving wide social implications and a new manner of living) of land areas on the peripheries of great cities will be considered. Such land has elements of value other than to afford mere standing room for office and industrial workers.

HEADLINES

"Free public spending is nearing the rope's end," shouts Felix M. McWhirter, chairman of the Committee on State and Local Taxation and Expenditure of the United States Chamber of Commerce from the front page of the *Public Dollar*. He points out that local chambers of commerce are furnishing "seasoned business leadership" to governments in this financial crisis. Having failed to keep business running satisfactorily, these "seasoned leaders" now turn to government. Hold everything!

* * *

Fortunately for the future of the country, the division of simplified practice of the United States bureau of standards finds time to announce the acceptance by industry of the reduction in the number of types of wheel-barrows manufactured from 41 to 27.

* * *

Seven counties are enough for the state of Washington in the opinion of S. J. Collin, a member of the Spokane board of county commissioners, who has picked as the seven county seats Spokane, Walla Walla, Wenatchee, Yakima, Seattle, Olympia and Kelso. The stumbling block to any scheme of county consolidation anywhere is found in the ironical comment of the Aberdeen *World*, "It is rather an intriguing thought, the spontaneous approval that might be expected from Tacoma and Pierce County for a county seat at Seattle."

* * *

Nevertheless abolition of 19 of the 82 counties in Mississippi by a series of consolidations was recommended by the Mississippi Research Commission in its report to the legislature which created it.

* * *

The key to improvement in the government of New York City was thrown away by the state legislature when it adjourned without passing the Hofstadter bill which would have permitted a petition signed by 15 per cent of the registered voters (a maximum of 30,000 being required) to force the calling of an election to decide whether a new charter should be drafted. The fault is not all Tammany's—the Republican machines in up state cities feared trouble in their own bailiwicks. When it comes to the momentous issue of good government, Republican and Democratic parties stand side by side to defeat any such catastrophe!

County government is at the head of a long list of problems of democracy to be solved these days. With commissions in California, Michigan, Montana, North Carolina, and Virginia studying or having studied how the efficiency of this sphere of government can be improved, Governor Woodring of Kansas announces the probable appointment of such a commission in his state and Governor Winant of New Hampshire has just appointed one.

* * *

And Governor Roosevelt of New York, taking time from his pursuit of the Democratic nomination long enough to send a bristling message to the legislature recommending the modernization of antiquated town and county governmental units, called county government "no more fit for its purpose than an ox-cart would be fit for the task of supplying modern transportation between New York and Chicago."

* * *

Then there is Virginia—the complete legislative program of improvement of county government recommended by the Virginia Commission on County Government of which Dean Robert H. Tucker of Washington and Lee University is chairman, has been enacted into law by the legislature. Among the bills was one setting up optional forms of county government, including the manager plan. The legislature took a leaf from North Carolina's experience by passing over to the state complete responsibility for highways.

* * *

Under the compelling title "budgeting for a deficit," the Toronto Bureau of Municipal Research lists several methods of doing just that. Among them are: By pretending that not as much will be spent as it is really intended or expected to spend; by pretending that more revenue will be received than is really expected to be received; and by combining the two previous methods. This game of "pretend" is not confined to Toronto or Canada.

* * *

New Hampshire unemployed who receive municipal aid lose their right to vote. This is the interesting opinion of Assistant Attorney-General Lorimer, interpreting the state law denying the right to vote to paupers and persons excused from paying taxes.

* * *

Complete reorganization of the Cook County tax machinery is provided in an act which has been signed by the governor of Illinois. Under its terms the board of assessors, board of review, and about 30 rural township assessors in the county are replaced by a single county assessor with deputies and two reviewers, to be appointed by the governor and the chairman of the Cook County board.

Howard P. Jones.

Thoughts on Tax Delinquency

Painless reduction of tax delinquencies with tax remission in deserving cases

BY W. EARL WELLER
Rochester Bureau of Municipal Research

Delinquent taxes have caused more worry and have received less constructive thought than most problems of municipal administration. Year after year cities have seen the totals of outstanding taxes increase in graduated proportions regardless of general economic conditions. Year after year the same cities have added an item for "unpaid taxes" to their budgets, thus passing the load of delinquency along to the "good" taxpayers who are too ignorant of municipal finance to realize what is really happening. Year after year little comedies entitled "tax sales" have been enacted in these cities. While the details of these comedies differ in different cities, the good but dumb taxpayer always plays the part of *capra hircus*, in less erudite company—the goat.

It is not the object of this paper to enlarge on the theme just suggested. Rather it has the modest task of indicating a solution, a method of improving the administration of delinquent tax collection. An uncompleted study of delinquency—fiscal, not moral—in Rochester, seems to indicate that that city might avoid about half the delinquent items on its tax rolls by mailing tax bills and by properly investigating the financial aspect of proposed local improvements.

MAKING IT HARD TO PAY TAX BILLS

In Rochester they make it as difficult as possible for a taxpayer to pay his bill. In order to meet his obligations to a grateful city he may pursue one of two methods. He may go to the treasurer's office, locate a clerk that has his particular locality in charge, wait while the said clerk prepares a proper bill, and then trot up to a cage for the major operation. Rather like asking to be struck by lightning. If he does not desire to waste the time involved in the method described, he may go to a fire station or a public library and get a tax bill request blank. If he completes this form and mails it with a self-addressed and stamped envelope to the city treasurer, he will receive his bill through the mail. These methods are even more aggravating than they sound, and, particularly in the case of the smaller tax bills, encourage taxpayers to join the ranks of the delinquent.

The study previously referred to shows that, while 17 per cent of the items on the Rochester rolls for 1928 were for amounts less than fifty dollars, 51 per cent of the items on the delinquent list were in the same bracket. Probably many, if not most, of these items would never have reached the delinquent list if the city had followed the lead of private business, small and large, and mailed bills. Preliminary suggestion one, then, is mail your tax bills. Many cities are already doing this. All cities should be doing it.

WEIGH LOCAL IMPROVEMENTS MORE CAREFULLY

Failure to make proper financial investigations of local improvements before undertaking the work involved is a second avoidable reason for tax delinquency. The public works department is given ample time to study the engineering problems involved in a local improvement, but usually the first notice the department of finance receives of the proposed improvement is the certificate of completion. Before any such improvements are ordered the department of finance should determine what the prospective yield of the special tax will be. Rarely, if ever, will the yield equal the cost of the improvement, the difference being met, either directly or indirectly by the city at large—directly by contributing a percentage of the cost, indirectly by acquiring some useless real estate through tax foreclosures. No one can plaster a six hundred dollar assessment on a two hundred dollar lot and make the blamed thing stick. The Rochester study has not progressed far enough to estimate what percentage of the city's delinquency could be avoided by a preliminary financial investigation of local assessment projects, but the percentage is considerable from all indications.

The foregoing suggestions are not strictly within the scope of this paper since they do not involve the administration of delinquent tax collection. Here the improver of conditions should be in his glory since there is scarcely anything that he can do that will not be an improvement.

SOCIAL JUDGMENTS ON DELINQUENTS

No one has yet admitted that delinquent taxes are a social as well as a financial matter, although the fact has been tacitly accepted by officials. This is proven by the tendency towards weak enforcement of legal provisions. Many officials have unwittingly constituted themselves judges and, following the trend of the law, have decided that mercy to the delinquent taxpayer transcends justice to the taxpaying public. If this hypothesis were to receive the sanction of law the social factors might be intrusted to employees better fitted to pass judgment. A general suggestion, then, for improving the administration of delinquent tax collection is to give legal sanction to the social aspects of the question.

How? The plan is yet only in sketchiest outline. Taxes become delinquent in Rochester if unpaid, at the end of the calendar year in which they were first due. For a year such unpaid taxes are held in the city treasurer's office, no effort of any sort being made to collect them. During that year trained investigators should examine and report on each case. These investigators would uncover many social conditions that would justify the remission of the tax in question. In such cases, on the application of the delinquent owner and with the approval of the city treasurer—this approval being based on the report of an investigator—the city council could and should remit the tax. In order to avoid abuses the law should provide that the tax on any certain taxable parcel could only be remitted two or three times while held by one owner and that no property on which taxes had been remitted could be transferred without the city's consent.

The plan is crude as yet. It has been scoffed at and will probably come in for more scoffing. Much more difficult legislation has been written and enacted. Much more difficult administrative problems have been solved. It seems that the plan merely accepts a basic truth as a truth and attempts to adjust procedure to reality.

COLLECT FROM THOSE WHO CAN PAY

In order to avoid the cynical thought that this is the idea of a sentimentalist, let us hurry to the obvious corollary. Having accepted, under proper safeguards, the social implications, the city can afford to be a bit "hard boiled" with the taxpayers who can but do not pay. Penalties for non-payment should be made very severe and the law should be made simple and direct. Delinquent taxpayers able to meet their obligations deserve no consideration at the hands of the body politic. With severe penalties and a simple legal procedure the enforcing officials should be required to have each tax levy closed not later than twenty-four months after the taxes involved were first due.

For a few years yet the plan suggested will be considered revolutionary. Then for a few more years it will be considered evolutionary. And then it will be accepted. In the meanwhile what is to be done in a matter that needs immediate attention? Laws differ so, not only between states but even within states, that it is impossible to do anything but generalize. In Rochester much of our trouble would vanish if we were, under home rule authority, to make a few minor changes in our law and then to enforce the law. A few years ago Rochester enforced a tax lien that had been accumulating since 1874. Such instances do not help to any extent.

The matter of delinquent taxes offers so many interesting phases for study that such a paper as this might suggest debatable topics for a session that would substitute days for the minutes at our disposal. With this thought in mind a wordy introduction was avoided, all elaboration of the central thesis was shunned and this conclusion will now be made as abruptly as is consistent good manners.

Norfolk's Municipal Prison Farm

NORFOLK is permitting offenders to pay their debt to society by useful work; the prison farm a financial as well as a sociological success

BY GLEN LEET AND JOHN McLAUGHLIN *Norfolk, Virginia*

IS IT necessary that the detention and care of those who fail to abide by the laws of society be a financial burden upon the taxpayers of a city? Does the general method, so commonly employed by municipalities of seeking to reclaim, reform, and generally prepare law breakers to return to a useful place in society by confining them in idleness with other criminals, represent the most humane, practical and enlightened plan possible? Cannot those who are guilty of offenses against society work out that debt by useful service which would be advantageous both to themselves and to the community?

These are some of the problems which the city manager has been trying to solve at Norfolk by a process of scientific experimentation at the General Booth Municipal Prison Farm.

From a practical standpoint, it was clear that the present jail was inadequate to provide quarters in proportion to the number and character of prisoners committed there. To have modernized it, especially with respect to segregating the various classes of criminals, would have entailed the expenditure of approximately $53,000, which would not have provided for enlarging the facilities. Aside from this economic consideration, the foundation of a regenerative agency whereby the energies of those confined in penal institutions might be utilized to some useful purpose for the public good and directed in a manner to promote good health and morals was in line with the progressive character of the city's welfare program.

THE GENERAL BOOTH FARM ESTABLISHED

Consequently, on August 20, 1929, pursuant to the city manager's recommendation, council authorized the establishment of the farm at the welfare center in Princess Anne County where are located the Municipal Hospital for the care of the indigent sick and the John Smith Tubercular Pavilion. It began operating December 29, 1929.

The prison farm comprises approximately two hundred acres of farm land located about six miles outside the city limits. The total cost of constructing and completely equipping the plant amounted to $21,349.13. It is composed of the following buildings:

Office and waiting room.
Dormitory (three sections, one white and two colored, the former being separated from the latter by a six-foot passageway; toilet and showers provided for each race).
Dining hall (two rooms and kitchen).

Storeroom.
Work shop.
Cell room.
Garage.
Dairy.
Barn or stable for horses.
Barn or stable for cows.

One hundred prisoners can be incarcerated at the farm; 95 per cent are committed for violations of state laws. The commonwealth contributes to the support of state offenders according to the number imprisoned, the schedule ranging from 25 cents for each prisoner in excess of fifty; 50 cents for each prisoner in excess of twenty-five, up to and including fifty; 60 cents where there are ten or more, up to and including twenty-five; 75 cents where there are as many as three and less than ten, and $1.00 for one prisoner only.

For the purpose of accounting, a record of the time served by each prisoner is maintained, and from this compilation the number of prisoner days is determined. For instance, ten prisoners serving a sentence of thirty days represent three hundred prisoner days. During 1930 state prisoner days totaled 13,829, the city prisoner days numbered 783. On the basis of the first figure, the municipality received $7,758.65 from the state of Virginia, or 53 cents per prisoner day. Deducting this credit from the gross operating cost, including depreciation, of $19,436.57 the net cost of operating the farm, without considering the value of services rendered municipal departments, is seen to amount to $7,758.65 or 80 cents per prisoner day.

PRISONERS WORK FOR THE CITY

In addition to their duties on the farm and in the dairy and kitchen, during the last half of the year, when they could be released from the work attending the establishment of the plant, the prisoners were assigned tasks throughout the city in connection with the cleanup program, ditching and grading dirt streets, and maintenance work on the golf courses and in the cemeteries. Dairy products and produce were furnished the several municipal hospitals. As attention was directed principally to a program of construction and organization, during much of 1930 no systematic record of the supplies furnished the city institutions was kept. However, it appears that during the latter part of the year the General Booth Farm dispensed in this manner approximately 3,493 gallons of milk, 17,483 pounds of Irish potatoes, 6,085 pounds of sweet potatoes, 1,587 pounds of cabbage, 92 pounds of carrots, 80 quarts of butter beans, 444 bunches of beets, and 3½ bushels of tomatoes.

In the absence of a complete system of accounting during this experimental stage, the General Booth Farm received no credit for the services mentioned above, nor were the departments interested charged for the same. However, a record of such services was kept, and although the charges shown were arbitrarily arrived at, the following items will serve as an indication of the productiveness of the farm.

Labor (basis, $1.40 per diem)......	$8,019.20
Guards as foremen (basis, $3.34 per diem)......................	2,047.42
Produce and dairy products (basis, city contract prices)...........	2,141.02
	$12,207.64

FARM SELF-SUSTAINING

It will be noted that the value of prison labor has been appraised on the basis of $1.40 per day. This is one-half of the per diem cost to the departments of outside labor. So far as it has been possible to ascertain from supervisory officers in the various departments prison labor is approximately 75 per cent as efficient as standard labor. It would appear, therefore, that $2.10 might fairly be used as a basis for determining the value of prison labor. However, an accurate appraisal is possible only after an extended period of observation and a comparison of the results accomplished by this class of labor and hired labor has been made, and for this reason the schedule shown has been employed. The monthly compensation for guards has been used in determining the cost of supervision.

Value of services and products		$12,207.64
Gross operating cost	$16,993.36	
Depreciation	2,443.21	
Total operating	$19,436.57	
Less aid from board state prisoners	7,758.65	
Net cost	$11,677.92	$11,677.92
Difference		$529.72

It is obvious from the foregoing statement that the General Booth Farm was not only self-sustaining during its first year of operation, but that the productiveness of the facility exceeded the cost of operation. Assuming that the estimate of the services rendered municipal departments is a fair appraisal, it appears that the plant produced over and above all operating expense on the basis of $.03 per prisoner day. In this connection it should be remembered that the summary of services rendered covers only the latter half of the year.

It will perhaps be of some interest to sketch the daily routine observed at the farm, and this may be summarized as follows: The men arise at 5.30 A. M. and breakfast at 6.00 o'clock. From 7 until noon, which is the dinner period, and from 12.30 until 5 they are engaged in the various tasks assigned them. Six o'clock is the supper hour and from 6.30 until 9 o'clock they are permitted recreation. The lights are out at the last mentioned hour and the men are required to retire. Only minor duties are performed on the Sabbath, such as work in the kitchen, and religious services are conducted every Sunday afternoon. Relatives are permitted to visit the prisoners on this day.

The city furnishes inconspicuous clothing and the usual garb consists of whipcord coat and trousers, jumper sweater, gray socks and heavy brogue shoes. Boots, and of course overalls, are also provided.

Norfolk's brief experience does not permit of a conclusive answer to the two questions which naturally present themselves in reporting on an activity of this character. Does the prison farm solve the problem of punishment? and, Do prisoners become better citizens? However, there can be no question that the prison farm offers an aid to the prisoner to cultivate industrious habits, and it is apparent that with but a few exceptions they are amenable to discipline, cheerful in their work, and respectful to those in authority. We are convinced that the average prisoner prefers to work out his debt to society in this manner rather than by confinement in jail. It has been established that the detention of those who violate the laws of society need not be a burden on the taxpayers of a municipality.

In conclusion, may we say that in our opinion, the establishment of a municipal prison farm at Norfolk, during its first year of operation, has been successful both from a practical and humanitarian standpoint?

The Fate of the Pinchot Relief Program

GOVERNOR PINCHOT'S proposal to spend $120,000,000 in unemployment relief fails in the legislature. Less than $14,000,000 will be directly or indirectly available

BY H. F. ALDERFER

Pennsylvania State College

GOVERNOR PINCHOT convened the General Assembly of Pennsylvania in extraordinary session on November 9, 1931, and submitted in his proclamation a nineteen-point program for legislation concerning unemployment relief. Emphasizing the "right to work" and stressing the duty of the Commonwealth to take care of its unemployed in his message to the legislature, he proposed a comprehensive plan that would utilize every available agency of state and local government in making provision for the 900,000 workers, about one-quarter of the total number, who were, according to administrative estimates, out of work.

The administration bills introduced in the legislature, if passed, would have made possible an outlay of about $120,000,000 for this purpose. After a seven weeks' session, marked by an ever-widening rift between the executive and the assembly, the session was adjourned. The governor's program was completely discarded and in its place the legislators substituted one of their own, which provides, making due allowance for gubernatorial vetoes somewhat more than $13,000,000 for direct and indirect relief without raising additional state taxes.

The special session brought out in bold relief many conflicts latent in the Pennsylvania situation. Between Governor Pinchot and the Republican state organization, it was war to the bitter end. Even the house of representatives, so safely for Pinchot during the regular session of 1931, refused him support for his program.

GOVERNOR PINCHOT'S PROGRAM

Both work-relief and direct relief were contemplated in the administration plan for unemployment relief. State appropriations were to be used only for work-relief, veterans' relief and hospital services, the greater share to be utilized to provide employment by expanding the activities of existing state agencies. The department of highways was to have undertaken work on roads, at present financed by local units, with the revenues accruing from the emergency gasoline tax. This was estimated at $30,000,000.[1]

An emergency appropriation of $10,000,000 was to be given to the governor, who, with the auditor general and the treasurer, were to allocate it to provide employment. Appropriations to the departments of forests and waters, health, military affairs, labor and industry, property and supplies, revenue and welfare, totalling $4,482,000, were provided in the program for clearing lands, building roads, studying health conditions, aiding veterans, improving the military reservation, establishing employment exchanges, increasing the personnel, administering the new tax laws, and aiding both state-aided and state-owned hospitals. These items, together with appropriations for the unemployment commission, the bituminous coal commission and the special sessions expenses, brought the total of state appropriations requested of the special session to $45,365,974. Besides this, the balance of a $1,500,000 appropriation for the Pymatuning Dam project in Crawford County was to be made available for building railroads and preparing the site.

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[1] Figures relating to administrative relief program which are not found in the Governor's Proclamation, his message to the legislature or the administration bills introduced in the legislature are taken from *Legislative Bulletin No. 157,* Pennsylvania State Chamber of Commerce, Harrisburg, Pa. (November 21, 1931).

The necessary funds for this work were to be raised by three taxes: an emergency tax of two cents a gallon on gasoline, bringing the total to five cents; a tax of one cent on every ten cigarettes, plus an annual five dollar permit fee to dealers not holding a mercantile license; and a tax on outdoor advertising, consisting of a one hundred dollar fee for a permit to do business, and an annual excise tax of three cents per square foot of billboard surface used. The gasoline emergency tax was to be in force for a period of two years, but the others had no time limit set for their duration. The total yield of these taxes was estimated at $46,500,000; gasoline to bring in $35,000,000, cigarettes $10,000,000 and the billboard tax $1,500,000 for the two-year period.

INDIRECT DIRECT RELIEF

The most unique feature of the Pinchot plan was the project by which direct relief, that is, fuel, clothing, food and shelter, as well as work-relief could be furnished through the medium of the state government without interference from the constitutional restriction inhibiting appropriations for direct relief. A commission on unemployment relief, consisting of four unsalaried members appointed by the governor, and of the state treasurer, was to be created and authorized to receive contributions of money and other personal property. These were to be used to provide the needy with work or direct relief as the commission deemed advisable, subject only to the governor's approval and to the restriction that there should be no cash "doles." The commission would issue receipts for these contributions, which would be redeemable at face value, at 4 per cent interest, if a constitutional amendment, also introduced at the session, authorizing the governor, auditor general and state treasurer to issue "Prosperity Bonds" to repay these contributions, were passed. The process of amending the constitution of Pennsylvania requires favorable action by two successive legislatures and a majority of electors of the state voting at a state election. Ordinarily, final action on this measure would have come in November, 1933, and until then, contributors would not have known whether they would be repaid. No limit was set to the amount to be received in this manner, but the governor set $35,000,000 as the necessary goal.

These "Prosperity Bonds" were also expected to repay to local units one-half of the amount of temporary loans made in 1932 provided for in a bill setting the limit of these loans at 60 per cent of the amount of delinquent and uncollected taxes for 1930 and prior years at the date of the loan. Money so raised was to be used only for unemployment relief, and in school districts only for the payment of teachers' and other employees' salaries, and expenditures of these sums were to be approved by the commission on unemployment. These local loans were expected to total $35,000,000, one-half of which added to estimated contributions to the state fund would necessitate a "Prosperity Bond" issue of $52,500,000 in 1933.

Two other bills, sponsored by the administration, and affecting political subdivisions, were introduced. One authorized the county treasurer, with the consent of the county commissioners and a judge of the district court, to postpone the sale of seated lands for delinquent taxes for periods not exceeding one year during times of depression. The other gave all political subdivisions, excepting school districts, the power to levy an extra ten mills for unemployment relief in times of prolonged economic depression. Another constitutional amendment, empowering the general assembly to authorize debt not exceeding $20,000,000 to relieve distress occasioned by disaster, epidemic, disease or prolonged economic distress after approval by a majority of electors voting on the question at a state election, was introduced.

The characteristics of the Pinchot program, aside from its magnitude and comprehensiveness, are the increased centralization of state activity in the hands of the governor and the continued invasion of the state into local fields. These added fuel to the fire of the administration opponents.

CONSTITUTIONAL QUESTIONS INVOLVED

Two interesting constitutional questions came up for consideration in the special session. The first was the scope of legislative power. Opinion was divided on the interpretation of Article III, Section 25 of the Pennsylvania constitution, which states that when the general assembly is in special session, "there shall be no legislation upon subjects other than those designated in the proclamation of the Governor calling such session."

Attorney General Schnader ruled that the administration bills were constitutionally before the legislature and that constitutional amendments might be proposed at a special session, although their subject matter had not been included in the call. The majority of non-administration bills, he ruled, were not within the scope of the proclamation.

Dissatisfied with the attorney general's opinion, the house requested a brief from John H. Fertig, director of the legislative reference bureau. Arriving at a somewhat broader interpretation, Mr. Fertig concluded that the general assembly might legislate freely within the general subject of the governor's proclamation without adhering strictly to the 19 separate subjects named therein. In line with this opinion the legislators proceeded to interpret the proclamation of the governor for themselves.

The second constitutional question concerned Article III, Section 18 of the constitution, which reads as follows:

> No appropriations, except for pensions or gratuities for military services, shall be made for charitable, educational or benevolent purposes, to any person or community, nor to any denominational or sectarian institution, corporation or association.

The attorney general's opinion to the governor was to the effect that no appropriations of state money could be made for direct relief of the unemployed, and that no appropriations for such purpose could be made to a state agency, to political subdivisions, or to welfare agencies incorporated or unincorporated. In his opinion on the non-administration Talbot bill, making an appropriation of $10,000,000 "under the police power" to the department of welfare for state-aid to political subdivisions charged by law with the care of the poor, and allowing them to use the money for direct relief, he concluded that the bill would be unconstitutional, if for no other reason than that the legislature could not, by mere recital that it is exercising the police power, wipe out a constitutional provision and thus, in effect, amend the constitution.

The legislative reference bureau brief on the same subject concluded that the care and maintenance of the poor as a whole class was a governmental duty within the scope of the police power. The Talbot bill was enacted by the legislature, allowed to become a law by the governor without his signature, and on February 15, 1932, was held constitutional by the Dauphin County Court. It is expected that the supreme court will make final determination on the validity of the bill at an early date upon the filing of an appeal by the attorney general.

PUBLIC OPINION ON THE GOVERNOR'S PROGRAM

In spite of the recognized need for unemployment relief, Governor Pinchot's program was not received with enthusiasm by the rank and file of the citizenry of Pennsylvania. Most of the opinion expressed outside of governmental circles was sponsored or influenced by organized groups. A survey of newspapers throughout the state and of official pronouncements of and letters from many state and local organizations reveals the cold reception it received in many quarters. Labor was most conspicuous in favor of the plan.

The main stimuli to the opposition forces were the gasoline, cigarette, and local general property tax features of the proposal. It was declared repeatedly that the "little man" would be hit hardest by these taxes, and that his burden was already more than comfortably heavy.

There was much sentiment in favor of a state income tax law. Governor Pinchot himself indicated in his message to the legislature that he might have included such a proposal but for the ensuing litigation which would prevent realizing funds for the coming winter. The proposed taxes were also opposed on the grounds that they would drive business out of the state, that their collection would be costly, and that the estimated revenue was greatly exaggerated.

Other features were criticized. The new state commission on unemployment was ridiculed as another expensive state experiment, the governor was scored for his refusal to allow local subdivisions to allocate expenditures from state funds for unemployment relief, it was stated that contributions to the state fund would not come up to administrative expectations as local charities had made serious drains upon those able to contribute. Legislative criticism of the chief executive included the charge that he was too wilful, that he would not compromise reasonably, that he had visions of the White House, that he desired to aid his road program more than the unemployed, and that if he desired economy, as he had frequently indicated, he should start by pruning state employees' salaries.

RESULTS

Of the 126 bills introduced in the special session, 22 were passed by the general assembly. Six of these were originally administration bills, not one of them constituting a major feature of the Pinchot program. They included enactments postponing delinquent tax sales, re-apportioning the balance of the $1,500,000 Pymatuning reservoir project appropriation, and appropriations totalling $3,296,553.04 to the departments of military affairs, welfare, property and supplies and other state agencies for aid to hospitals and veterans; supplies and legislative expenses. Added to this is an advance of aid to certain school districts through the department of public instruction of $2,000,000, which must be paid back or deducted from the regular school subsidies before the present biennium ends.

The non-administration measures passed included the Talbot $10,000,000 direct relief bill, the two Trainer bills authorizing Philadelphia to extend the time for payment of the two $3,000,000 emergency loans until 1934, the three Bechtel bills limiting the penalty for delinquent taxpayers to 6 per cent of the total amount for a period of two years, a bill allowing poor districts with the approval of the common pleas court to make temporary loans for one year, one providing for the construction of a dam at the Torrence State Hospital with funds already appropriated, and appropriations of $3,300,000 for the erection of a state sanitarium for tubercular patients, and a new office building in Capitol Park. The Blumberg and Witkin bills, appropriating to Philadelphia $2,350,000 for road work and a bill providing for construction and maintenance of certain borough roads by the department of highways were vetoed by the governor, as were two other bills almost identical with similar bills passed. The bills appropriating $3,300,000 for a tuberculosis sanitarium and a new office building, and the altered administration bill making an emergency appropriation of $2,000,000 to the Department of Welfare for the maintenance of certain state-aided hospitals were also vetoed by Governor Pinchot, mainly because the legislature did not provide the additional revenue necessary and the state is facing a deficit at the end of this biennium. The governor's record on these measures is eight vetoes, three allowed to become laws without his signature (Talbot and Trainer bills), and eleven signed.

Thus, a sum between $13,000,000 and $14,000,000 may eventually be available for unemployment relief in Pennsylvania, although not a dollar is ear-marked for that specific purpose. At any rate, the sufficiency of relief legislation at Harrisburg is dependent upon the extent of local and private charity, the possibility of Federal relief and the actual conditions themselves.

Measuring Public Works Efficiency

CITIES are actually measuring in concrete terms the quantity and quality of their public works activities

BY DONALD C. STONE · *National Committee on Municipal Standards*

WHEN the National Committee on Municipal Standards was organized its main objective was to establish certain criteria or standards with which the quantity and quality of municipal services could be measured. It was believed that if definite yardsticks for measuring municipal work were available taxpayers could better determine whether their taxes were purchasing a sufficient amount of services and the right kind of services, and further that city officials would be provided with invaluable tools for planning and managing these services. The main emphasis of the Committee was upon measuring the results of service, the net benefit to the public so to speak, so that comparisons could be made of the relative utility of various services and a better basis obtained for determining the relative importance to be placed on each item in the municipal budget.

WORK AND COSTS

Before very much progress could be made toward measuring the results of city activities, the Committee found that standard work units for measuring the amount of work done and its unit costs must be established. How can the value of a service be measured without knowing how much is being furnished and its cost? Considerable progress was made in this direction by the Committee particularly with respect to such street sanitation activities as street cleaning, refuse removal and disposal, catch basin cleaning, and snow removal.

When the Research Committee of the International City Managers' Association appropriated funds in 1929 for furthering the work begun by the National Committee on Municipal Standards, the project was given a new impetus. As a means of attaching it more directly to the officials who in the end must be responsible for the execution of this work, the Committee on Uniform Street and Sanitation Records was organized representing the International Association of Public Works Officials (then the International Association of Street Sanitation Officials) and ten national organizations of municipal and civil engineers, city managers, comptrollers, health officers, research agencies, state leagues of municipalities, the National Municipal League, and the like.

As the task of establishing standard work units for measuring the amount of work done and of measuring costs through the use of cost accounting systems progressed, it soon became evident that the Committee must design complete records systems for controlling and analyzing the use of labor, the use of materials and supplies, and the operation of motor equipment. The keynote of these records and cost proposals has been to subject each phase of street sanitation and other public works operations to definite measurement and control. Individually, each record form or step in the procedure is designed to control the use of labor, of materials, or equipment, while together the records comprise a unified cost accounting system for measuring work done and its cost.

SCOPE OF DEMONSTRATION INSTALLATIONS

Upon making several demonstration installations of the Committee's proposals, it was found that the adoption of a records and cost system required frequently major changes in the city's purchasing and expenditure accounting practices. The Committee's program was therefore expanded to include standard accounting and purchasing proposals. Here again the main interest is in measuring and controlling various types of expenditures.

Moreover, in making the installations it proved impossible to separate street sanitation activities from other public works activities. The Committee's field of action has been enlarged, therefore, to include street repairs, sewer cleaning and repairs, property maintenance, traffic and street signs, and other activities commonly found in a municipal public works department.

Experience with the installations made clear that the mere analyzing of work and costs could not lead to effective management unless a definite work program were established, a program which specified the work to be done during the budget year, when to be done, the method to be employed, and its anticipated cost. Such a work program should naturally underlie the official's requests for funds. Therefore, the Committee's work has been injected into the entire problem of budgeting. The installation manuals explain in detail how a work program and budget is prepared and executed.

Demonstration installations have been completed in the cities of Brunswick, Georgia; Kenosha, Wisconsin; Troy, New York; Winona, Minnesota; and installations are now in progress in Cincinnati, Ohio, and Lexington, Kentucky. Manuals have been completed of the Brunswick and Kenosha installations and are now under preparation in the case of Troy and Winona. In each of these manuals we see a complete cycle of proposals for the entire public works department, and the manuals become what might be called manuals of administrative practice for the public works department.

NEED OF PUBLIC WORKS MEASUREMENTS AND STANDARDS

An essential characteristic of a science is that its subject matter can be reduced to exact measurement. The extent to which public works management can be a science therefore depends upon the extent to which public works officials can reduce their operations to systematic measurements. It is to aid the officials in this task of measurement that the Committee's proposals and installation manuals are specifically designed. All these proposals, whether they deal with cost accounting, general accounting, or budgeting, are designed to measure municipal work in one way or another.

The use of standards underlies almost every phase of our civilization. Industry, transportation, commerce, and nearly every detail of daily life, even including recreation, are entirely dependent upon standards. Standard specifications have made possible mass production; by standardizing the gauge of tracks and equipment, transcontinental trains have become a daily occurrence; and standard dimensions of tennis or golf balls are fundamental to these sports. The use of standards is equally important in city public works.

DIFFERENCE BETWEEN MEASUREMENTS AND STANDARDS

The terms "standard" and "measurement" are frequently confused. A "standard" is a measure, example, or criterion of quantity, quality, time, or practice, which is established by authority, custom, or general consent as a definite basis of reference or comparison. A "measurement," on the other hand, is a comparison of the thing being measured with the standard, with allowances for conditions under which the measurement is made.

Several types of standards are employed by public works officials as the basis for measuring their operations.

(a) *Standard Measures:* All standards of length, weight, time, heat, size, and capacity are included here. Units for measuring work done are based upon these standards.

(b) *Standards of Quality:* These usually take the form of specifications. Testing and sampling are the usual methods of comparing an article with the standard.

(c) *Standards of Performance:* These standards involve such factors as efficiency in a motor, capacity of a sewer pump, durability of a pavement.

(d) *Standards of Practice:* Building codes, safety codes, and tested practices established by authority or experience are examples of these standards.

Although the use of standards is permeating public works practice at every turn, few standards have as yet been devised that will measure the results, efficiency, or completeness of a given service. Measurements of the quality of service or the social benefits derived therefrom are difficult to apply. Such questions are controlled to a marked degree by the public which, through its insistence or its willingness to pay, determines the quality and completeness of services. In practice the results are gauged, first, by the official in charge of the work; second, by the public as recipients of the service; and third, by the experienced critic or expert. With such a varied group of judges, each possessing different facts, prejudices, and interests, an agreement upon a standard of results or service is seldom attainable. However, if city public works officials install the standard proposals of the Committee on Uniform Street and Sanitation Records, they will have available an increasing number of measurements with which to answer these questions of quality and results.

Many of the Committee's proposals are novel to city officials; others have been a matter of long experience. The several demonstration installations have proved their practical application. And what is most important many cities are now using the demonstration manuals to perfect their own practices. The Committee is confident that within five years, more than half of the cities in the country will be employing part or all of its proposals for measuring and controlling public works activities.

What Municipal Home Rule Means Today

IV. Washington—Little Home Rule by Constitutional Grant

HOME rule sentiment is not strong in Washington cities. Uniformity, not diversity, the ideal

BY CHESTER C. MAXEY *Whitman College, Walla Walla*

IN HIS volume on *The Law and Practice of Municipal Home Rule*, published in 1916, Professor Howard Lee McBain said of home rule in the state of Washington:

> The Washington cases which have construed the grant of home rule powers as made in the constitution of 1889 present two conspicuous points of interest. In the first place, except in cases involving questions of procedure in the making and amending of charters, the courts have taken an exceedingly narrow view of the scope of powers embraced within this grant. The competence of the legislature to set the limit of the city's powers in the so-called enabling act was early recognized, and practically no power was sustained, even in the absence of conflicting state law, which could not be referred to this act. This means, of course, that in practice as well as in law home rule in Washington has been and is more largely a matter of legislative grace than of constitutional right. There is no power which cities have actually exercised which might not be taken away by a legislative repeal of the provision of the law by which such power is conferred.
>
> In the second place, a law of general applicableness supersedes and controls a contrary charter provision regardless of the subject-matter of such law and provision. The distinction between state and local affairs has not been read into the constitution by the courts, and therefore no sphere of immunity from the control of state laws has been created for the city even in respect to matters which are sometimes regarded as of strictly local concern.
>
> That the measure of home rule in Washington under the application of these rules of law has not been wholly negligible has obviously been due to the liberal practice of the legislature in conferring powers and in refraining from occupying fields of municipal control through the medium of laws of general application to cities of over twenty thousand inhabitants. It is patent, nevertheless, that this measure has been far short of what has prevailed in certain other states and that it is by no means as extensive as many advocates of home rule conceive that it should be.

This summation is as good today as it was fifteen years ago. A review of the cases since the time of Professor McBain's study reveals no material recession from the doctrine early approved by the Washington courts, that when a constitutional grant of home rule powers is coupled with a proviso requiring the exercise of such powers to be consistent with and subject to the general laws of the state, it is in reality a reservation of power to the legislature to control home rule cities by general legislation in so far as it may care to do so. The basic considerations for the Washington courts, therefore, have been these two: first, whether powers claimed by home rule cities properly belong to the field of local self-government; and, second, whether the legislature by general law has occupied the field. There was doubt, at the time Professor McBain wrote, as to the right of the city to act without legislative authorization even though the legislature had not occupied the field. Since then the courts have intimated that cities may proceed without express legislative sanction in strictly local matters, but that when the legislature acts municipal freedom ceases.

WHAT THE COURTS GIVE AND THE LEGISLATURE DOES NOT TAKE AWAY

Having said this, one has said about all that can be said about the meaning of home rule in Washington today. What the seven home rule cities of this state really have is as much or as little municipal autonomy as the courts concede and the legislature does not take away. The courts have not been liberal in differentiating between state and local affairs, but the legislature, on the other hand, has not been so inordinately arrogant as to provoke a demand for greater municipal freedom. The fact is that the home rule cities of Washington have always held the balance of power in the legislature, and under the new apportionment will virtually control it. Legislative enactments occasionally have trod upon the corns of one municipality, but never have offended a sufficient number of cities at one time to cause general resentment.

To the person who may inquire whether the Washington legislature has been liberal or illiberal in the employment of its reserved power to control home rule cities by general statute, the only possible answer is that it has been both. The First Class Cities Act of 1890 was designed to serve as a general enabling act. It enumerated the powers of home rule cities under thirty-eight heads, these grants being, as a rule, couched in broad language which indicated that they were intended to be general endowments rather than restrictive provisos. The legislature has assumed, however, that it has power to withhold as well as to give, and this view has been sustained by the courts. Consequently there has been a considerable amount of legislation explicitly defining powers bestowed by the Act of 1890, and some expressly curtailing powers there bestowed. For example, the Act of 1890 conferred power in general terms to borrow money and issue bonds for the floating of loans. This has been narrowed by an act of 1915 which forbids the diversion of revenues secured by bond issues for special purposes to any other funds or uses.

The courts have experienced some difficulty in reconciling the Act of 1890 with subsequent enactments of the legislature. By the enabling act, for instance, first class cities are empowered to grant franchises to street railway companies. A later act, creating the state public service commission, gave that body large authority over municipal utilities. In *Benton* v. *Seattle* (50 Wash. 156) the state supreme court held void a charter provision requiring a referendum on franchises, saying that the city could not adopt a mode of approving franchises that was not contemplated by the Act of 1890. Yet in *State ex. rel. Tacoma R. and P. Co.* v. *Public Service Commission* (101 Wash. 601) it was held that the state's whole police power as to franchises had, by the Act of 1890, been vested in the city, and hence that the public service commission could not relieve a street railway company of its franchise even though the rates were entirely inadequate.

It would appear, then, that, even as to legislative enactments in pursuance of the reservation which the courts have held to be implicit in the home rule provisions of the Washington constitution, the actual amount of municipal autonomy conveyed is a matter for judicial determination.

LITTLE HOME RULE SENTIMENT

The passion for local independence is probably not so strong in this relatively new state as in older parts of the country where urban communities have had time to acquire a deeper feeling of singularity. Municipal consciousness out here does not take umbrage at regimentation. Uniformity, on the whole, is welcomed as a necessary and useful expedient. This is well illustrated by the present conflict between provisions of the state traffic code and the enactments of several of the municipalities of the state. The state traffic code, adopted some years ago, requires motorists turning left at street intersections to make an "outside" turn, whereas several of the cities, being apparently unaware of the existence of conflicting state legislation, have introduced the newer, and also simpler and safer, "inside" turn. The state law undoubtedly prevails, and the courts have not been slow to say so. Cities thus find themselves confronted with the necessity of readjusting their traffic ordinances to conform with the state law and of abandoning steps taken in the direction of improved traffic regulation. But there has been no outburst of feeling against the legislature, no protest against the legislative strait-jacket in which cities are confined. The prevalent attitude seems to be that the situation is unfortunate, but can be remedied at the next session of the legislature. Meanwhile it is better to have uniformity throughout the state than to have one rule in one city and other rules in other cities according to municipal preference, despite the fact that the uniform rule may not be of the most approved character.

With such a spirit prevailing, home rule cannot be an issue of first magnitude, and in Washington it is not.

The Crain Removal Case and the Statistical Charts

New tests of a district attorney's fitness for office depicted in graphic charts

BY EDWARD A. WILLIAMS

Columbia University

On March 7, 1931, the City Club of New York filed with Governor Roosevelt charges against Thomas C. T. Crain, district attorney of New York County, asking that he be removed from office. Three days later Governor Roosevelt appointed Judge Seabury commissioner to investigate the charges.

In a letter to Seabury, which was sent at the same time that the formal appointment was mailed, the Governor observes: "You will, of course, note that the charges made do not in any way involve the personal integrity of Justice Crain, but relate solely to his competency to fulfill the office which he holds." The scope of the investigation was thus limited to the simple question of determining whether Crain had shown such general incompetence as to warrant his removal.

THE STATISTICAL METHOD FOR DETERMINING EFFICIENCY

One way to determine the efficiency of Mr. Crain was to make an intensive study of the efforts of the district attorney in prosecuting certain vital cases. This was done by Judge Seabury, and Crain's handling of the racketeering problem, the magistrates' courts inquiry, the stock fraud cases, and other matters was deeply probed.

This article, however, is concerned with the other device employed to compute Judge Crain's efficiency; the statistical method. Upon the suggestion of Commissioner Seabury, Professor Raymond Moley of Columbia University prepared 15 charts (a number of which are reproduced in this article) to show the general efficiency of the prosecuting office of New York County. The data presented covered approximately 25 years, and the charts revealed:

(1) The district attorney's budget for each year;
(2) The size of his staff;
(3) The population of New York County;
(4) The amount of crime reported, with special reference to homicide and other significant crimes;
(5) The convictions obtained by the district attorney's office generally, with special reference to major crimes, namely, murder, manslaughter, grand larceny, robbery, burglary, and assault. Significant relationships were compared and the convictions subdivided to indicate whether they were by trial or plea of guilty, and what type of pleas were accepted.

Thus the major part of the investigation, consisting of a qualitative examination of a few specific cases, was supplemented by a statistical examination of the work of the office in the mass throughout the 25-year period.

RATIO OF CONVICTIONS TO NUMBER ON STAFF

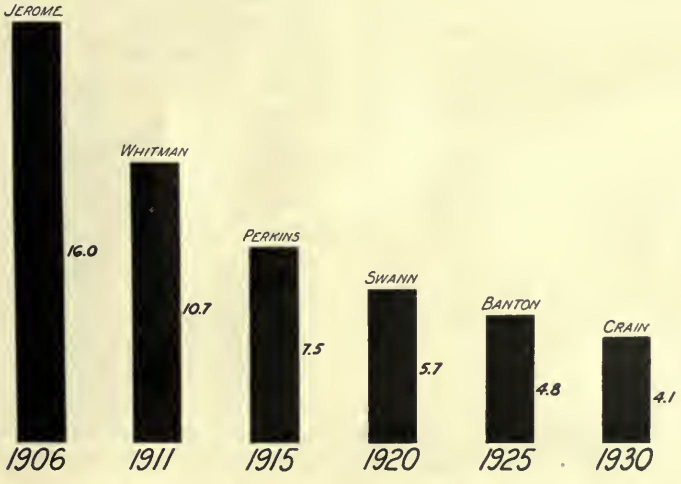
The district attorney's office exists primarily to obtain convictions, and its ability to do so is a fair test of its efficiency, despite a vigorous dissent by Samuel Untermeyer,[1] counsel for Judge Crain. Obviously, the district attorney's office is but one cog in the machine that grinds out a conviction. The police arrest, *the district attorney's office prosecutes*, counsel defend, the jury decides, the judge presides and sentences, and appellate courts review. Any unethical zeal on the part of staff members in fulfilling their function, can, and should be taken care of by the district attorney himself. The high number of convictions in proportion to trials obtained by Jerome, Whitman, and Swann were not obtained by unfair practices, but by a high degree of care in selecting and preparing cases for trial.

Convictions shown by charts I and II consist of all cases sent to the jury which resulted in a verdict of guilty. Directed verdicts of not guilty were properly included in the failure-to-convict-group, as in these cases evidence of guilt is so slight that the judge directs the verdict on the theory that the jury could reasonably return nothing but a verdict of not guilty on the evidence presented. Pleas of guilty are not considered in these particular charts as they were intended solely to test the district attorney's efficiency in jury cases. Later I shall comment on Crain's handling of pleas.

Chart I depicts the ratios of jury

CHART I

JURY CONVICTIONS PER STAFF MEMBER



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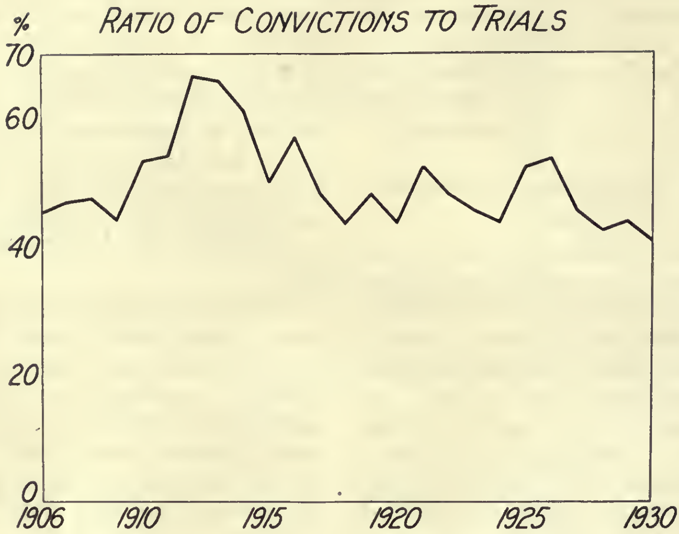
[1] As Mr. Untermeyer later introduced a score of charts which purported to show that Crain had a great conviction record, *quaere*—was he jesting when he objected vigorously to Dr. Moley's chart on the ground that "it is not . . . the right of a district attorney to measure the success of his administration by the number of convictions"?

CHART II



convictions to the number of persons on the district attorney's staff. It shows a steady decline, ending with a new "low" established by Judge Crain. His staff were successful in only 40.8 per cent of the 657 trials in which they engaged, or only 4.1 convictions per member.

Mr. Untermeyer objected vigorously that only those men on the staff actually engaged in trial work should be included in this ratio. But this is clearly unsound. All 65 assistants were part of the "lawyer power" of the office, and contributed to the successful prosecution of crimes coming to the attention of that office. Likewise, total trials undertaken would have been a bad standard, as this might show a high ratio for a staff that lost every case that it tried.

RATIO OF CONVICTIONS TO TRIALS

There can be no doubt that the district attorney is an important, if not a dominating factor, in weeding out cases both before the magistrates, and before and during trial in the grand jury. If he has properly performed this function, the cases left to be tried are those, in the main, in which the district attorney believes the defendant to be guilty. It is common knowledge that the cases he sends to the jury are his "strong" cases, and as such they are a measure of the soundness of his judgment in deciding which cases deserve to be tried. The result he obtains, as measured by the ratio of jury convictions to trials, shows conclusively the effectiveness of his staff in presenting the cases to the jury. In the light of this, Crain's record revealed by Chart II to be the lowest in 25 years, is a really significant comment on his efficiency.

We may assume that the efficiency of defense counsel is a fairly constant element through the years. The attitude of juries may change slightly in a generation, but there is no positive proof that our juries today are less prone to convict when a good case is made out, than were the juries of five, ten, or twenty years ago. Chart II graphically depicts Crain's lack of success even with respect to his "strong" cases on which he went to the jury.

Mr. Untermeyer further maintained that those cases in which the district attorney prepares the prosecution so well that the defendant pleads guilty because of a sense of futility of further resistance, should have been included in the conviction group. This is true when the district attorney forces the defendant to plead guilty to substantially the offense charged. However, there is no merit to this argument where the district attorney, to bolster his conviction record, offers the defendant a bargain-day plea of guilty to misdemeanor, although he himself has helped indict the defendant for felony. The charts we are now going to consider show conclusively that Crain's record, far from being improved by a consideration of pleas, grows even less favorable as a result.

THE GRAVER CRIMES

During the investigation, Judge Crain stated that he desired to be judged on the basis of his prosecution of the "graver" crimes of murder, robbery, burglary, and grand larceny.

In charts III and IV the first bar shows the number of crimes reported to the police in 1930. The next bar represents the number of arrests made by the police for the crime in question. The third bar gives the number of indictments procured by the district attorney from the grand jury. The fourth, and most significant bar, contains all convictions, whether by plea, or after trial, and subdivides them to show the degree of conviction obtained.

Mr. Untermeyer objected vigorously to the first two bars in both charts on the ground that they bear no relation to the district attorney, and were included solely to make the figures in the last bar appear insignificant. There is a degree of force to this view. I can see no direct connection between the number of crimes reported and the district attorney. Likewise it seems to me that the number of arrests is beyond his control. These two bars appear to me rather to indict the crime suppressing machinery of New York County.

The number of indictments procured, however, is a matter directly bearing on our problem. It is generally conceded that the district attorney exerts a very great influence over the grand jury. Thus there can be no escape from the conclusion that the number of indictments secured is representative of

CHART III

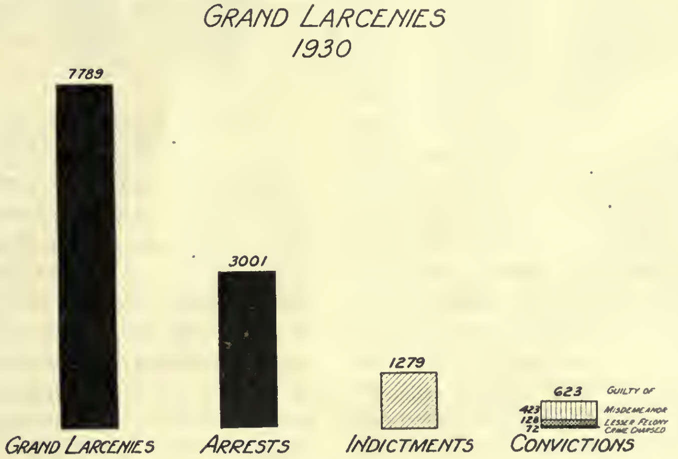
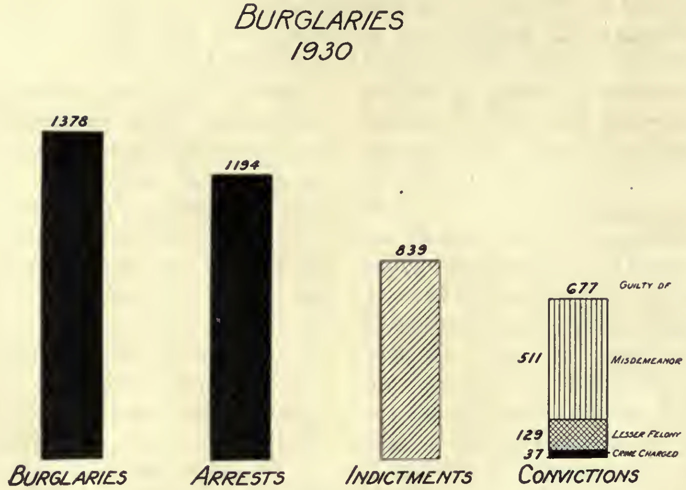


CHART IV



the number of prosecutions which the district attorney believes should be initiated for the crime in question. The ultimate disposition of these indictments constitutes a very definite test of his effectiveness in obtaining sentences on the charges he assisted the grand jury in making.

An examination of chart III, bar 4, reveals the typical Crain situation. Six hundred and twenty-three convictions were obtained from the 1279 indictments. Conviction of itself conveys no information to us, and we go on to see what type of conviction was obtained. We find that only 72 were of the crime charged, and but 128 were for some lesser felony. Four hundred and twenty-three of these so-called convictions were obtained by allowing the defendant to plead guilty to misdemeanor, although indicted for grand larceny. All of these 423 misdemeanor convictions were by plea, accepted by the district attorney, as jury convictions of misdemeanors were classed as lesser felony convictions, to bring out clearly the extent to which Crain was directly responsible for the failure to obtain felony convictions for felony indictments. Crain apparently followed the path of least resistance, allowing the defendants to get off with light sentences in exchange for pleas of guilty which he could use to fatten his conviction record.

Chart IV shows the same situation in regard to burglaries. There were 839 indictments, and 677 convictions. This seems to be a good record until we find that but 37 were convicted as indicated, and that only 129 were sentences to lesser felony. Five hundred and eleven were allowed to plead guilty to misdemeanor, and in a proper sense their cases were not felony convictions at all.

COMPARISONS WITH PREVIOUS ADMINISTRATIONS

Charts V and VI compare the work of prior district attorneys in respect to the same factors as represented in Charts III and IV. A comparison of each year from 1906 to 1930 would have been ideal, but the data being difficult to obtain, the approved statistical method of selecting years at regular intervals was employed. Because of Mr. Banton's long service, it was not possible

CHART V

GRAND LARCENY CONVICTIONS

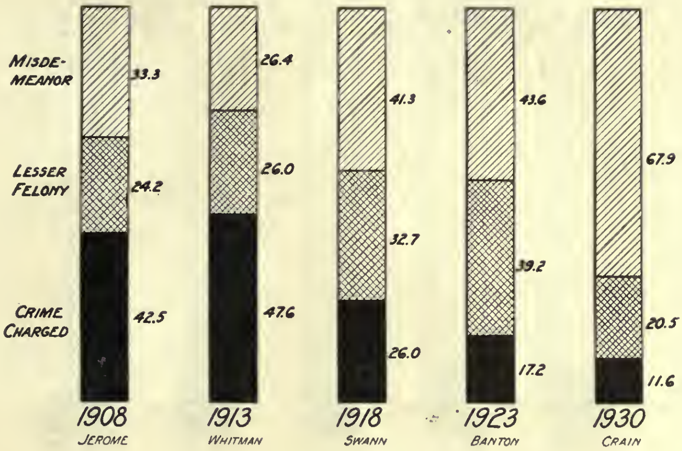
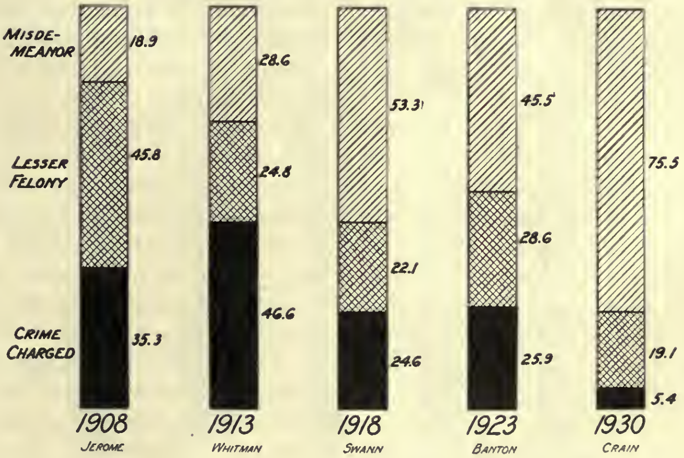


CHART VI

BURGLARY CONVICTIONS



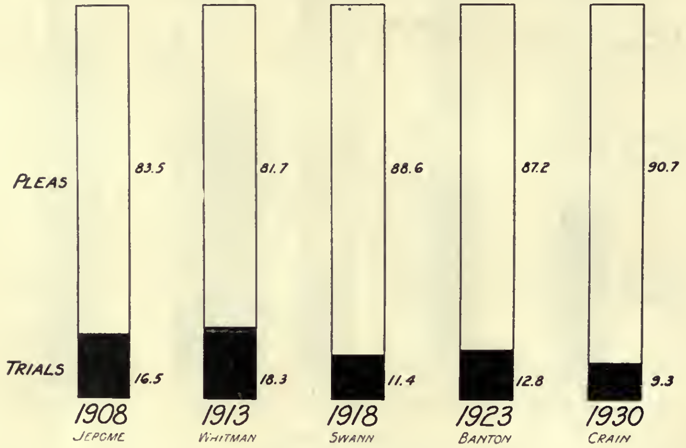
to adopt the five-year interval between him and Crain.

No extended comment is necessary in regard to chart V, but I should like to call attention to the wide difference in the meaning of "conviction" under Whitman in 1913, and under Crain in 1930. Roughly speaking, one-half of Whitman's convictions on grand larceny indictments were for the actual crime charged, one-fourth for lesser felony, and one-fourth for misdemeanor. Crain's convictions are roughly one-tenth crime charged, two-tenths lesser felony, and seven-tenths misdemeanor. In other words, convictions under Whitman were three-fourths felony and one-fourth misdemeanor; under Crain they were three-tenths felony and four-tenths misdemeanor.

Chart VI further discredits Crain. Whitman again shows three-fourths felony and only one-fourth misdemeanor convictions. Jerome shows

CHART VII

MANNER OF CONVICTION - CRIMES OF ROBBERY, BURGLARY, GRAND LARCENY AND ASSAULT



four-fifths felony and only one-fifth misdemeanor convictions. Crain obtained three-fourths of his convictions through misdemeanor pleas, and had only one-fourth felony sentences.[1]

Charts VII, VIII and IX are composite in nature, and deal with grand larceny, robbery, burglary, and assault, as a single group. Chart VII divides all convictions for these four crimes into the two classes represented thereon. It shows quite clearly that convictions in New York, in common with most cities in the United States, are being obtained more and more by pleas rather than by jury trial. A memorandum submitted on behalf of Crain quotes Judge Allen as follows: "Judge Crain is ultra-conservative respecting pleas."

The mere fact that Crain obtained 90.7 per cent of his convictions by acceptance of pleas does not of itself constitute ground for criticism. Chart VIII analyzes these pleas, however, and shows that not only did Crain accept pleas more often than did prior district attorneys, but that he exercised very little discretion as to the type of plea he allowed. Column 5 of chart VIII indicates that 61.7 per cent of all pleas to indictments for the four offenses were for misdemeanors, and only 38.3 per cent were for felonies. In other words, when Crain talked of his conviction record, he boasted of the fact that he could often force a defendant indicted for grand larceny to plead guilty to something like walking on the grass.

Chart IX subdivides convictions for all four crimes whether by plea or jury trial into our three classes to show how serious the convictions were. Once

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[1] Two other charts presented dealt with the crime of robbery, and showed that Justice Crain secured 426 convictions for robbery, of which the vast majority were for felony, out of 693 indictments. Robbery is the easiest of all crimes to prosecute because if there is positive identification success is assured and if there is no positive identification the police usually drop the prosecution. In regard to this particular crime Crain was able to make good his indictments by felony convictions. His record here, however, was no better than normal since all district attorneys have been successful in prosecuting this particular crime.

CHART VIII

SENTENCED ON PLEAS - CRIMES OF ROBBERY, BURGLARY, GRAND LARCENY AND ASSAULT

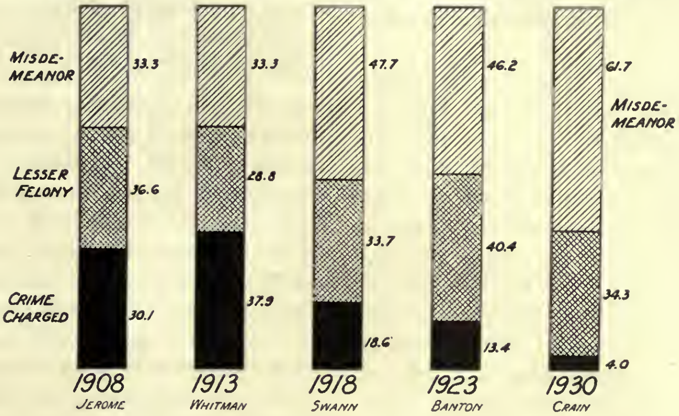
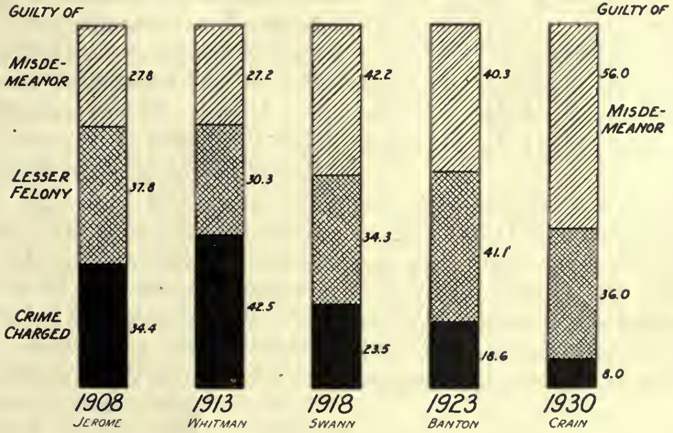


CHART IX

WHAT CONVICTIONS MEAN IN NEW YORK COUNTY - CRIMES OF ROBBERY, BURGLARY, GRAND LARCENY AND ASSAULT



more we find that Crain did not obtain felony convictions for felony indictments. Looking over the years from 1908 to 1930 we find Crain's record of 8 per cent convicted as charged to be poor in comparison with Swann and Banton, and really pathetic as opposed to the record of 42.5 per cent offered by Whitman. Furthermore, he was the only district attorney to handle his felony indictments in so extraordinary a manner as ultimately to produce more misdemeanor than felony convictions.

HOMICIDES

Other charts not shown here demonstrate the upward tendencies of homicides in New York County despite declining population and reveal that in 1930 for 273 homicides 144 persons were indicted of whom only 8 were convicted as charged and 47 of a lesser charge.

Crain had the lowest ratio of convictions for homicides to known-homicides of any district attorney within the last 25 years.

There are two reasons why Crain should have concentrated on the homicide problem. As an efficient district attorney he should have known of the serious increase in murder in New York County, and massed the power of his office to check it. Secondly, the law requires that the medical examiner notify the district attorney of every homicide, which seems to place a special responsibility upon him to aid the police in solving these cases. Obviously the mere number of convictions Crain obtained was no test of his efficiency, as the number of convictions should rise in proportion to the number of murders committed.

SEABURY MISSES THE POINT

We shall now consider what use Judge Seabury made of the statistical material in his report to Governor Roosevelt.

I shall limit my discussion to his interpretation of charts III to IX, since they contain the crux of the case, and were the only ones singled out by Seabury for extended comment. Writing in regard to these charts, and with special reference to chart III Seabury said:

> For example, in the year 1930 there were 1,279 indictments for grand larceny filed. Of these, 623 resulted in convictions, but of this number only 72 resulted in a conviction of the crime charged, whereas 128 resulted in convictions of felonies less than those charged, and 423 resulted in convictions of misdemeanor, all of which latter convictions were had upon pleas of guilty.

From these figures Seabury draws the following erroneous conclusion:

> Misdemeanor cases are triable before the Court of Special Sessions and might be presented in that court and there finally disposed of. Thus out of 1,279 indictments for grand larceny filed in 1930 . . . there were 423 of these cases which were misdemeanor cases and might have been more economically disposed of had informations for misdemeanors been filed in the Court of Special Sessions in the first instance.

Seabury's reasoning may be boiled down to this: If a misdemeanor conviction is obtained, the offense committed must have been a misdemeanor; 423 misdemeanor convictions show that 423 misdemeanor cases were incorrectly commenced by indictments instead of being tried from the beginning in Special Sessions. Thus Seabury feels compelled only to chide Crain for taking up improperly the time of the General Sessions and the grand jury with 423 misdemeanor cases.

However, if we accept indictments rather than convictions as the logical starting point, Seabury's reasoning is reversed. It was upon the theory that the indictment shows the true nature of the offense committed that the trial was fought. It was correctly assumed that all district attorneys should know the difference between felony and misdemeanor, and that they indict only those thought on good evidence to be guilty of felony. Thus 423 felony indictments show 423 felonies to have been committed, and the obtaining of misdemeanor convictions for these felonies clearly shows inefficiency.

We have two reasons to assume that Crain himself never believed that because he succeeded in obtaining misdemeanor convictions for felony indictments they were really misdemeanor cases. In Untermeyer's charts, presented in rebuttal, all with one exception set forth the number of convictions without bothering to tell what the convictions were for.[1] In this lump sum he always includes misdemeanor convictions for felony indictments as felony convictions. Secondly, in Untermeyer's memorandum he practically admits that felony indictments indicate true felony cases, by attempting to excuse Crain's failure to obtain felony convictions by the prejudicial effect of the Baumes law and for other reasons.[1] At no time did Crain or Untermeyer seriously deny that the district attorney had the responsibility of either showing felony convictions for his indictments, or showing good cause why they were not obtained. That they failed to establish a valid excuse has of course been the thesis of this article.

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[1] Judge Seabury is clearly wrong when he states in his report to Governor Roosevelt that the charts of both Dr. Moley and Mr. Unter-

Seabury's statement that misdemeanor convictions indicate misdemeanor cases is little short of naïve in the face of the following quotation from 219 Appellate Division 373.

> It is a matter of common knowledge that District Attorneys frequently bargain with those charged with crime, and either under promise of *immunity, or acceptance of a plea of lesser degree than that for which the defendant was indicted,* those deserving of extreme punishment are permitted to escape with punishment all too inadequate for the crime committed. We deplore the tendency of some district attorneys *following the course of least resistance,* thus to relax the rigid enforcement of our penal statutes.

Having shown that Seabury's hypothesis does not conform to the facts, we may add that even if true it fails to give Crain a valid defense. When Crain indicted for felony, he must have done so on the belief that felony was the proper charge. In 423 grand larceny cases his belief was erroneous. Charts VIII and IX under the Seabury hypothesis indicate that his judgment in regard to felonies generally was poor. What greater proof of inefficiency can one desire than the spectacle of a district attorney mistakenly indicting people for serious offenses in such large numbers as to clog the courts and prevent their proper operation? All of Untermeyer's grilling cross-examination did not shake the facts, nor did his excuses provide a justification for them. It remained for Seabury to throw a haze about the charts that I hope I have successfully dispelled.

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meyer point to the growing tendency on the part of district attorneys to accept misdemeanor pleas to felony indictments. Untermeyer's charts could not point to this conclusion because they did not subdivide convictions to show the degree of crime they were for. It is this very fact that emasculated Untermeyer's charts and made them of doubtful value in regard to the problem before Seabury.

[1] If the Baumes law had placed a serious obstacle in the way of obtaining a normal quota of felony convictions, the year following its passage would have shown an unusual increase in the acceptance of pleas to misdemeanors for felony indictments, since the district attorney would have been forced to accept these pleas as a last resort. That the Baumes law did not have this effect is shown by a recent study of Dr. Moley which points out that there has been a steady increase during the last 15 years in the practice of accepting misdemeanor pleas to felony charges, and that no unusual impetus was given to this movement by the passage of the Baumes law.

RECENT BOOKS REVIEWED

THE FRENCH CIVIL SERVICE. By Walter Rice Sharp. New York: Macmillan Company, 1931. XII, 588 pp. $3.25.

In France and Germany, the problem of civil service is generally approached from the viewpoint of public law and jurisprudence. Writers in these countries are chiefly concerned with the status, rights, duties and responsibilities of public officers. In the United States, the same problem is generally regarded from the angle of administration and management.

This difference in approach has made it extremely difficult to compare one system with another to any advantage. Dr. Sharp's new book is valuable for many reasons, not the least of which is the fact that he has presented the French system from the American point of view. Obviously, this study will be of great assistance to European scholars as well as to American, since it affords at last a common basis of comparison and discussion. The amount of original work which Dr. Sharp has been compelled to do is very great, for he could derive little help from the standard French studies in the field.

The first four chapters paint the general background of the French system. They are followed by a description of the examination procedure and other conditions for the selection of the personnel, including the selection of experts and persons belonging to professional and scientific vocations. Appointment, classification, compensation, promotion, transfer, turnover, and discipline are all treated in due order.

Two chapters are devoted to the personnel systems in several of the chief governmental department services. One chapter is devoted to the study of the Municipal Civil Service in a single city, Bordeaux. This section of the book is an excellent piece of detailed work.

The last three chapters are entitled, respectively, "Official Bureaucracy and the Public," "The Potentialities of Administrative Syndicalism," and "The Renovation of the Bureaucracy." Dr. Sharp considers that the French system is unduly bureaucratic, and that it is not properly integrated.

To the reader familiar with the French literature on the subject, it may appear that Dr. Sharp has somewhat slighted the French legalistic viewpoint. Perhaps the best answer to this criticism is that the monumental studies of Professor Jèze, *Les Principes Généraux du Droit Administratif*, have rendered any other work in the same field superfluous. The study of Dr. Sharp's book will unquestionably reward any reader who is interested in the civil service problem. It takes its place at once among the indispensable works in its field.

FREDERICK FRANK BLACHLY.

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BUILDING HEIGHT, BULK, AND FORM. By George B. Ford, Assisted by A. B. Randall and Leonard Cox. Volume II of the Harvard City Planning Studies. Cambridge: Harvard University Press, 1931. 188 pp. $3.50.

Completion of this volume of research must have been a difficult task after the saddening death of the author, George B. Ford. Even an almost-finished investigation of this kind involves a great deal of statistical and general material, whose inclusion in the final report is a question of nice judgment on the part of the author, and whose disposal necessarily presents an even greater problem to an outsider. Dr. Hubbard has dealt very carefully with the collected material, and the statistical data seems excellent, both in quantity and quality.

The object of the research as explained in the Editor's Note was determination of "the optimum size and shape of buildings on land of high value, obtainable under present conditions or under conditions probably or fairly to be hoped and striven for in the near future." There is no attempt to answer the question: do high land values necessitate tall buildings, or do tall buildings create land values? But a considerable amount of data bearing on the subject is presented for the reader's consideration.

The unit or "plane of reference" chosen was land value, and the bulk of the studies were based on existing buildings in the city of New York. Dangers lurking in the use of land value as a unit of reference for such a study were as well known to Mr. Ford as to any readers of this volume, but, in a piece of research so closely confined to one large city, the use of this unit is defensible.

High buildings, as such, are neither attacked nor supported. Their effects on public welfare are suggested in the presentation of allied data with respect to traffic congestion, sunlight, noise, and health. The report further indicates that economic studies of the high building should include costs of the additional services which it demands of the city, but in the absence of adequate data relatively little consideration was given to this phase of the subject.

It might also be suggested that the book has a certain popular appeal, beyond its interest to the profession, for high buildings are dramatic and the immense sums of money expended on them, the financing programs necessary for their construction and relationship of rentals to costs, not to mention the difficulties involved in pleasing tenants, are all subjects of real fascination.

Russell V. Black.

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The Revenue System of New Jersey. Report No. 6 of the Commission to Investigate County and Municipal Taxation and Expenditures. Trenton, New Jersey, 1931. xii, 276 pp.

Prior reports of this commission emphasized economies in expenditures. The present report deals primarily with the problem of a more equitable distribution of the local tax burden. After brief attention to the statistical aspects of state and local revenues for 1928, the bulk of the discussion that follows is devoted to the various taxes that are used for local purposes. The state revenues are considered incidentally in this report, since in New Jersey, as elsewhere, the state and local finances are closely interwoven.

It is logical of course that the report should concern itself mainly with the manifest inequities of the property tax and the methods of improving this tax. The commission estimates that real estate now bears 80 per cent of the tax burden, although 50 per cent or more of the wealth consists of tangible or intangible personalty. From the revenue side, the commission believes, therefore, that tax relief and equalization must come through the use of new revenues under a broader tax system.

The commission recommends that all taxable tangible property, real and personal, except that of utilities, be assessed on a county basis by competent assessors subject to state supervision; that tangible personal property be classed separately, and perhaps taxed at a limited rate, unless the efforts at the reduction of tax rates should prove sufficiently successful to render such classification unnecessary; that intangible property be classed separately, and assessed by the state, and pay a property tax based on its earnings, or on its value; that all business pay a business tax; that all persons with incomes over a moderate minimum pay a personal tax based on capacity to pay; that the yield of new taxes should not be devoted to the expansion of existing state functions, but rather to reduce and equalize existing taxation; that highway traffic should bear sufficient taxation to cover the cost occasioned by that traffic, including the maintenance of the highway system, the regulation of traffic, and the protection of property and rights affected; that out of the new revenues the state assume the responsibility for the costs of elections, of the courts, of the custody of persons under sentence, and of all county welfare expenditures, and similar activities, on condition that local budgets be correspondingly reduced, so that the local budgets may be entirely free from the above mandatory expenditures.

This report is a thorough and carefully prepared analysis of the situation on tax matters in New Jersey. Arguments are fortified with a discussion of underlying principles. Data are presented to establish the desirability or undesirability of possible alternative measures of tax reform. The report was prepared under the direction of Professor Harley L. Lutz of Princeton University and with the staff assistance of Griffenhagen and Associates.

Martin L. Faust.

Intelligence in Politics. By Paul W. Ward. Chapel Hill: The University of North Carolina Press, 1931. 126 pp. $1.50.

This book may be regarded as an attempt to fashion a tool for thinking about social and political problems in an age which is witnessing fundamental institutional changes. It is Mr. Ward's belief that "there are a few elementary distinctions which can be of great value in clearing up the ambiguities of current social thinking" (pp. 6–7), and the bulk of the book concerns itself with the statement of these distinctions. There are chapters on Institutions and Institutional Change, The Meaning of Democracy, Law and Human Conduct, and International Consolidation, in which the author attempts to assemble the data for constructive political thinking. With much of what he says there can be no serious disagreement though it seems to the reviewer that some problems have been oversimplified in the attempt to create a usable technical equipment.

The final chapter on Situational Thinking in the Social Sciences tempts one to a more extended comment than is feasible in a short review. The point of view there suggested is that developed by Dewey and called by him "critical radical empiricism," and by others generally "experimentalism." Though this point of view is, as the reviewer is well aware, enormously popular in certain circles, it does not seem to him to offer a fruitful approach to the really crucial issues of politics or of life generally.

Lane W. Lancaster.

University of Nebraska.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Purchasing Methods of New York State Municipalities.—Joel Gordon. New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany, 1931. 107 pp. On the basis of questionnaires sent to all municipalities in New York State and extensive field trips, Mr. Gordon has described the methods followed in purchasing the material used. With tables, record sheets and forms to supplement the text, he has dealt with the legal basis for municipal purchasing, administration, organization, personnel and cost, the stimulation of competition, placement of orders, contracts, inspection and testing, storage and stock control, accounting and payment procedure. Not the least interesting part of the book is the section on Conclusions at the end of each chapter in which recommendations are made for improved practice. (Apply to Bureau of Training and Research, New York State Conference of Mayors, Albany.)

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Contract Surety Bonds for Municipal Improvements in New York State.—Clarence H. Girard. New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany, 1931. 80 pp. Continuing its program of publication in coöperation with the School of Citizenship and Public Affairs of Syracuse University, the Bureau of Training and Research now publishes a study on the timely subject of contract bonds as handled by New York State municipalities. The data on which the study is based has been secured from 63 cities. Mr. Girard deals primarily with the extent to which the corporate surety bond guarantees the responsibility of a contractor, whether such a bond is adequate security for a municipality against contractors who default, whether the cost of such protection is commensurate with the security provided and the other measures a municipality might provide to protect itself from the expense and delay caused by defaulted or abandoned contracts. Standard forms are also included. (Apply to Bureau of Training and Research, New York State Conference of Mayors, Albany.)

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City Manager Yearbook 1932.—International City Managers' Association, Chicago, 1932. 275 pp. The eighteenth City Manager Yearbook is an important addition to the already well-known series. The bulk of this volume is devoted to the proceedings of the 1931 conference of the International City Managers' Association at which the major subjects of unemployment relief, reducing governmental expenditures and city manager policies were discussed by managers and other authorities. The brief talks of 35 managers on their particular problems are also of moment. The history of the development of the council manager plan and various interesting statistics about the profession are given, including a complete directory of city managers. The Yearbook is of interest to all those concerned with municipal problems. (Apply to the International City Managers' Association, 923 East Sixtieth Street, Chicago. Price $2.00.)

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Municipal Utility Accounting.—Roy L. Reirson. League of Minnesota Municipalities, 1931. 12 pp. Of great practical interest and usefulness to small cities and towns which own and operate light, water, and other utilities, especially in states in which municipally owned utilities do not come under the jurisdiction of a state public service commission, is this manual on municipal utility accounting. It contains an outline of forms for a standard system of accounts, including a simplified classification especially applicable to small plants, as well as set-ups for comparative income statements and balance sheets. Managers and directors of utilities in the smaller municipalities will find it especially valuable as an aid to the solution of their accounting problems. (Apply to League of Minnesota Municipalities, University of Minnesota, Minneapolis.)

✤

Plans of Unemployment Relief in Virginia Cities and Towns.—League of Virginia Municipalities and State Department of Public Welfare, 1932. 20 pp. Although unemployment has not been as marked in Virginia as in some other states its municipalities have, of course, found it necessary to evolve methods of dealing with the conditions there. The city of Hopewell has been especially successful in handling its cases, and this pamphlet is primarily a description of the plan followed there, with necessary forms, report blanks and statistics included. In meeting their continued problems of unemployment, city authorities will welcome this additional material on a satisfactory means of offsetting to some extent the hardships involved. (Apply to League of Virginia Municipalities, Travelers Building, Richmond.)

✤

Uniform Special Assessment Law.—Investment Bankers Association of America, Toledo, 1931. 42 pp. The deplorable financial condition of cities today is in no small measure due to the abuses of special assessments. The importance of this field was recognized by the Municipal Securities Committee of the Investment Bankers Association of America, whose sub-committee submitted this report. The model law is supplemented by valuable explanatory notes. The material presented covers various problems of special assessment financing, both as to special assessments in the limited sense and as to those issues of bonds which pledge the credit of the entire municipality in addition to the assessments. (Apply to John S. Harris, Stranahan, Harris & Company, Inc., Toledo, Ohio.)

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The Principles of Land and Building Appraisals as Scientifically Applied in Cuyahoga County.—John A. Zangerle, Board of County Commissioners of Cuyahoga County, 1932. 86 pp. The reassessment required by law every six years is the occasion of this valuable publication in which Mr. Zangerle explains the basis for the appraisals made. Having adopted the motto of "more equalization and less taxes," the appraisers worked on definite system and standards to the end that property rather than individuals might be assessed, that uniformity be maintained, that the principles (as set forth in this document) be so clear that any taxpayer could assess his own property or any other in the County, that graft be prevented, that the Board of Revision might correct and adjust in harmony with other assessments, and that errors be more easily detected. The publication is devoted primarily to maps and diagrams of Cuyahoga County, but the pages of text briefly describe the now famous Zangerle appraisal system. (Apply to John A. Zangerle, County Auditor, Cleveland, Ohio. Price $4.00 to non-residents of Cuyahoga County.)

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County Government.—M. Margaret Kehl. New York Municipal Reference Library, 1932. 28 pp. Miss Kehl has done a genuine service in compiling a bibliography on county government. The annotated list of references has been divided into sections on other bibliographies on the subject, general articles, material listed geographically by states and material listed by county officers and functions. The increasing number of those interested in county government will be grateful for this important tool in their work. (Apply to New York Municipal Reference Library, Municipal Building, New York City.)

JUDICIAL DECISIONS

REVIEWED BY C. W. TOOKE *Professor of Law, New York University*

Power to Reduce Salaries.—Reduction of Salaries of Officers and Employees—Effective Control of Boards of Finance.—The highest courts of Michigan and Massachusetts have recently been called upon to construe the effect of charter provisions for the control of local finance upon the power of a city to reduce the salaries and wages of its officers and employees. In *Council of City of Saginaw* v. *Board of Estimates*, 239 N. W. 872, the Supreme Court of Michigan holds that the charter power given to the local board of estimates to reduce any items of expense submitted by the council for its approval was not impliedly repealed by a later amendment providing that all appointive officers and employees shall receive such salaries or compensation as the council shall determine. The effect of this control over the expenditures authorized by the council is to render all salaries or wages necessarily subject to the ultimate decision of the board of estimates, so that any salary or contract for wages may at the beginning of any year be reduced without violating any rights of the persons affected.

In *Paquette* v. *Fall River*, 179 N. E. 588, the Supreme Judicial Court of Massachusetts came to a similar conclusion that the school committee was lawfully authorized to make a reduction of twenty per cent in the wages of school teachers, the local board of finance with control over the budget having notified the members of the committee that it would not otherwise approve their estimates. It is noteworthy that the supervisory board of finance of Fall River was created by chapter 44 of the Laws of 1931. The court calls attention to the charter power of the school committee to make permanent employment of teachers "to serve at its discretion" as limiting the power of the board to adopt an unchangeable salary schedule. Officers charged with official discretion may not by any act of their own contract or barter away their duty to a continuous exercise of such discretion as the public necessities may require. It seems, however, that even without the express charge to exercise a continuing discretion, the power to fix salaries or contracts for wages would be held to be subject to the statutory power of the supervisory board of finance to approve or disapprove the annual estimates submitted to it.

The method of control over municipal salaries suggested by the above decisions may be applied by all cities having a similar budgetary control, apparently even where the state constitution forbids any change of salary during the time for which an officer is elected. In some cases, as in the Education Law of New York, statutes expressly limit the power of local authorities to fix salaries paid to employees for a longer term than one year (*Matter of Rockwell* v. *Board of Education of Elmira*, 214 App. Div. 431, 212 N. Y. S. 281). On the other hand, it sometimes occurs, as in the case of the city of New Orleans, that the salaries of many of the municipal officers are expressly fixed by the state constitution and can be altered only by a constitutional amendment. The recent crisis in the finances of many of our cities has shown how advisable it is that in some way, such as shown in the Saginaw and Fall River cases, a supervisory control be established that will make possible a legal and orderly reduction of the salaries of municipal officers and employees without the necessity of resorting to coercion by threats of abolishing offices and positions. Security of tenure in public office or employment may well compensate for the precarious right to a continuing rate of compensation often assured by contract in private employment.

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Invalid Debts.—Indebtedness—Effect of Recitals in Bonds Issued Without Proper Authority.—The question as to what liability, if any, a municipality incurs upon negotiable instruments absolute in form, containing recitals that all necessary procedural steps have been complied with, has been before the Supreme Court of South Carolina in two recent cases, *South Carolina National Bank* v. *Union County*, 160 S. E. 733, and *Bolton* v. *Wharton*, 161 S. E. 454. In both of these decisions it was held that the municipality was not estopped to set up the invalidity of the instruments, either upon constitutional grounds or for failure to comply with statutory procedure. The majority and dissenting opinions in the two cases review extensively the authorities both state and federal bearing upon the questions involved.

In the first case, the obligations of the county were issued under a general power, but were held invalid because of defects in the prescribed method of execution. The proceeds of the notes were deposited in a bank which failed so that they were never used for a legitimate municipal purpose. In the second case, the bonds were issued and the proceeds used for the purchase of stock in a financial enterprise, which the court holds was for a private purpose and therefore clearly beyond the powers of the corporation. In both cases, the purchasers of the obligations took them in good faith and for value and the proceeds were turned over to the fiscal officers of the municipality. Notwithstanding these facts, the court holds that no recovery may be had either upon the instruments themselves, nor in quasi contract for the money actually received.

It is well settled that no recovery will be given against a municipality for money received upon void instruments unless the proceeds have been expended for valid municipal purposes which confer a legal benefit upon the corporation. The decisions in these cases are supported by the recent federal case of *City of Sanford, Florida* v. *Chase National Bank*, 50 Fed. (2d) 400, which holds that the deposit of money received upon void instruments to the credit of the city in a bank that becomes insolvent is not such a benefit as the law requires as a basis of quasi-contractual liability. Without going further into the legal argument as to the rights of those advancing money upon invalid obligations, it is obvious that such unfortunate occurrences seriously embarrass the credit of all municipalities in the state where such recovery is denied. The interest of the state at large seems to warrant the setting up of some form of state administrative control that will be a guaranty that securities issued by municipalities shall have the warrant of law and shall be indefeasible in the hands of bona fide investors.

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Zoning.—Principles of Comprehensive Zoning Not Yet Accepted in Texas.—As a culmination of a long series of decisions beginning with *Spann* v. *Dallas*,[1] the Supreme Court of Texas in *Continental Oil Co.* v. *City of Wichita Falls*, 42 S. W. (2d) 236, reaffirmed its position that no districts of a city may be zoned against use for any purpose unless the forbidden use be either a nuisance in law or one in fact. The action was brought by the city and certain adjoining property owners for a permanent injunction against the defendant's erection and maintenance of a gasoline filling station in a district set aside by ordinance for residence purposes. The complaint alleged the deleterious effect the business in question would have upon the neighborhood in lowering property values, increasing highway hazards and causing discomfort to the near-by residents. The findings of the trial court were to the effect that no nuisance was alleged, that highway hazards would not be increased and that the fact that the use would be disagreeable to the neighbors and even seriously impair the value of their property was an insufficient ground for excluding the defendant from using his property for a lawful business.

The Court of Civil Appeals reversed the judgment below, upheld the validity of the zoning ordinance and remanded the case with instructions to issue a permanent injunction. The decision of the highest court of the state reinstating the judgment of the trial court and ordering the complaint dismissed goes upon the broad ground that the police power of the state cannot be exercised to deprive the owner of real property of any use he may wish to make of it, short of the perpetration of a nuisance in law or in fact.

The ordinance in this case, enacted in 1921 under an enabling clause of a home rule charter, was similar to one of the city of Dallas, under which the exclusion of a store building in one instance and of a motion picture show in another from a residence district had been declared an unconstitutional attempt to restrict the use of private property. Since that time we understand that the state legislature by a statute passed in 1927 has declared the policy of the state in authorizing comprehensive zoning by cities and villages (Stat. 1928, section 1011a–1011j).

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[1] 111 Tex. 350, 235 S. W. 513 (1921).

This latest decision indicates that Texas is still in the position with regard to zoning that New Jersey found herself before adopting the constitutional amendment of 1927. While we may commend the consistency of the Texas courts, we cannot but regret that they refuse to follow the more liberal views of those courts which recognize the expansion of the police power to meet new conditions, as the legislature declares the public policy of the state may from time to time require.

⁂

Municipal Ownership.—Washington Cities Held to Have Implied Power to Sell Surplus Electric Current for Use Outside Their Limits.—The controversy in Washington over the power of cities to sell to neighboring municipalities the surplus supplies of their electric systems has recently been put to rest by the decision of the supreme court of that state in *Municipal League of Bremmerton* v. *Tacoma*, 6 Pac. (2d) 587. In 1906 in the case of *Farwell* v. *Seattle*, 43 Wash. 141, 86 Pac. 217, the court held that it was beyond the power of the city to extend its water system into the then adjoining city of Ballard and to sell that city a supply of water for its inhabitants. Since that time several unsuccessful attempts have been made to confer upon cities of the state power to sell surplus electricity and water beyond their limits through bills in the legislature and through initiative and referendum measures.

In dismissing the petition of the plaintiff for an injunction against Tacoma and several other cities selling their surplus power at the city line to adjoining municipalities, the court practically affirms that home rule cities whose charters have asserted the power given them by general statute to own and operate public utilities have the implied power to dispose of the surplus incidental to their operation to other cities.[1] This result evidently was the one sought by the plaintiff in bringing the action and the decision of the court is therefore in the nature of a declaratory judgment. It may be noted that the result reached is supported by the great weight of authority in other states, and that in many states statutes not only expressly permit such sales but make them compulsory upon cities having a supply of water or electricity more than sufficient to supply their own needs.[2]

⁂

Fiscal Control.—County Budget Commissions—Review of the Florida Statute of 1931.—The county budget law enacted last year by the Florida legislature recently came before the supreme court of that state for construction in the case of *Sparkman* v. *County Budget Commission*, 137 So. 809. This statute provides for the creation of a budget commission of five members in each county of a population of over 150,000. Such commission is given full power to fix and adopt a budget of all receipts and expenditures of any local board, to increase or decrease any item in the estimates submitted by such board, and to determine the amount to be paid or allowed by the county during the ensuing fiscal year by each county officer for salaries of deputies and other expenses of his office. The act was to become operative in 1932 unless the board of county commissioners filed a petition to make the act operative in 1931, whereupon the governor was to immediately appoint a temporary budget commission. A citizen taxpayer of Hillsborough County where the county commissioners had petitioned for the immediate adoption of the act, sought to enjoin the local budget commission upon the ground that the statute was unconstitutional. Although holding that his complaint stated a cause of action, the supreme court took occasion to discuss the constitutionality of the act and to construe its provisions.

The court upholds the power of the legislature to establish such administrative commissions and to provide that the governor may make the temporary appointments, but holds that their powers must be reasonably exercised and that their acts are subject to judicial review in appropriate proceedings. While the act states that the findings of any such commission shall be final, due process requires that anyone affected by such administrative action shall be entitled to a safe and adequate review thereof.[1]

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[1] To the same effect see City of Tucson v. Sims, 4 Pac. (2d) 673.

[2] See, for example, Cahill's Revised Statutes of Illinois, 1929, ch. 42, section 366, and Chicago v. Town of Cicero, 210 Ill. 290, 71 N. E. 356, sustaining such statutes.

* * *

Home Rule Powers.—Conflict with General Statutes of the State—California City Denied Power to Establish an Independent Pension System.—In *Frisbee* v. *O'Connor, City Treasurer*, 7 Pac. (2d) 316, the District Court of Appeals, First District, of California holds that the ordinance of the city of Beverly Hills passed in 1928, providing for the creation and operation of an insurance plan and pension fund for its employees, is invalid and that no recovery can be enforced against the city for premiums upon policies issued by the company with which a contract for insurance was placed. The constitution of the state expressly limits the powers of home rule cities to those not in conflict with the general laws. The basis of the decision is that the ordinance conflicts with the statute which purports to create "a police relief, health and pension fund in the several counties, cities and counties, cities and towns of the state" and with a similar statute for firemen. The court not only holds the ordinance invalid so far as it relates to employees of these classes, but further concludes that these general statutes imply an intent on the part of the legislature that home rule cities of the sixth class are not to exercise any power to create pension systems except for policemen and firemen in conformity with the statutory provisions.

This decision goes somewhat further than any other to which our attention has been called in limiting the domain within which home rule cities may act. The principle generally applied that existing powers of home rule cities are impliedly repealed by a statute conferring the entire field of legislation as to a particular matter of state-wide interest is extremely useful in adjusting the conflict between general statutes and provisions of the local charter, but the decision in question seems to carry the implications of this principle to the extreme limit. While it seems clear that as to pensions for policemen and firemen, the general statutes are exclusive, it may well be questioned whether the conclusion that a home rule city may not provide pensions or insurance for other employees is justified. The decision of the supreme court of the state will be awaited with interest.

Irregular Annexations.—De Facto Status—Attack by Taxpayer on Validity of Annexation Proceedings.—In *Jari Co.* v. *Village of Croton-on-Hudson*, 258 N. Y. 303, the Court of Appeals of New York had before it the question whether a landowner could maintain an action to set aside a tax assessment upon the ground that because of irregularities in annexation proceedings the lands assessed were not a part of the village. Among other requirements of the village law of New York is that the original petition for annexation must be signed by a majority of the qualified voters of the outlying territory or by the owners of a majority in value of the property therein. A failure of strict compliance with this condition was set up by the plaintiff.

In deciding that the plaintiff's complaint should not be dismissed, the court in an opinion by Chief Judge Cardozo holds that the statutory provision that no person may bring an action to contest the validity of annexation proceedings after one year is not necessarily conclusive. If within that time the proceedings are questioned by private parties, as in this case, the question resolves itself into an inquiry whether the annexed territory has become de facto a part of the village. To predicate a de facto status not only must the proceeding be under color of law, but a user of the corporate franchises must be established. Unless these facts are shown, the rule against collateral attack has no application.[2] The court concludes that the challenge of the taxpayer in the instant case is timely and that the complaint states a good cause of action.

The decision in the above case so far as it relates to annexation proceedings may be compared with that recently handed down by the Supreme Court of Pennsylvania, *In re Baldwin Township*, 158 Atl. 316, in which it was held that the statute requiring the consent of the state council of education as a condition precedent to a judgment of annexation imposes an absolute bar to the validity of the proceedings and that in the absence of such approval no valid annexation can be perfected.

* * *

Eminent Domain.—Condemnation of Land for Markets Conveys the Entire Fee.—A repercussion from the recent decision of the Court of Errors and Appeals of New Jersey, holding that the State Highway Commission could condemn for highway purposes only an easement for public highway use, leaving the fee in the former owner,[1] may be noted in a series of related decisions handed down by the same court on February 1, 1932, of which *Carroll* v. *City of Newark*, 158 Atl. 458, is given the leading consideration. The city in the instant case had abandoned the use of certain lands condemned for market purposes and devoted them to park purposes. The executors of the former owner sued to recover possession upon the ground that the city had acquired only an easement or at most a fee determinable upon its abandonment of the special use. This court holds that, where the statute is silent as to the extent of property rights to be acquired by condemnation a reasonable construction of the statute must be determined by a consideration of the purposes for which the power is to be exercised and that power to condemn land for markets implies the power to appropriate all the property rights of the previous owner.

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[1] The opinion recites the pertinent provisions of the statute, which is chapter 14678 of the Acts of 1931.

[2] The distinction is well set forth in two Illinois cases: People v. McKinner, 277 Ill. 342, 115 N. E. 526, and People v. Hansen, 276 Ill. 204, 114 N. E. 596.

The decision is supported by the great weight of authority. Where the statute authorizing condemnation is silent as to the property rights that may be taken, the courts must look to the general legislative intent as shown by the statutes. As Justice Holmes remarked in a leading Massachusetts case: "There are no sacramental words which must be used in a statutory power to take and hold lands in order to give a right to take lands in fee." [2]

*

Excess Condemnation in Ohio.—LIMITED IN OHIO TO THE AMOUNT ACTUALLY NECESSARY TO CARRY OUT THE IMPROVEMENT.—The Supreme Court of Ohio has again construed the state constitutional amendment providing for excess condemnation to limit the amount of land that may be taken to that reasonably necessary to carry through an improvement. In *City of East Cleveland* v. *Nau*, 179 N. E. 187, the city sought to condemn all of the defendant's lot, 130 feet in depth, in connection with a street widening improvement, claiming that the excess over the part actually to be brought within the street was necessary to establish a proper grade back from the sidewalk. The slope specified in the plan was three-eighths of an inch per foot of horizontal extent. The supreme court affirms the finding of the lower courts that such a specification was unreasonable and arbitrary and therefore that the taking of the excess lands was unconstitutional. The effect of the holding is that a city seeking to condemn excess property is limited to its need for the improvement for which the property is sought to be condemned. Not only must the municipality define specifically the purpose of the appropriation, but it must also sustain such requirement by adequate proof of necessity. In other words, it does not appear that the Ohio constitutional amendment has enlarged the general power a municipality would have under statutory authority to take the additional property required to put through a public improvement and to dispose of the excess after the improvement is finished.[3]

*

Minimum Rates.—PUBLIC UTILITIES—LIMITATIONS UPON THE POWER OF STATE COMMISSIONS TO REGULATE RATES.—By an order handed down February 29, 1932, the Supreme Court of the United States affirmed the injunction order of the District Court, Montana, in *Great Northern Utilities Co.* v. *Public Service Commission*, 52 Fed. (2d) 802. In this case the unique question was involved whether a state utilities commission can prescribe minimum rates below which the utility may not sell its service to consumers. The general power of the state commission to fix minimum rates had been upheld by the Supreme Court of Montana in *Great Northern Utilities Company* v. *Public Service Commission*, 88 Mont. 180, 293 Pac. 294, but in its petition before the federal court the company contended that this power is less extensive than that of the Interstate Commerce Commission over the rates of interstate carriers and that the sole objective of the regulation of local public utilities was to prevent the imposition of rates unreasonably high, so as to protect the public. The District Court rejected this contention and held that the power of the state was unreasonably exercised, where as in the case at bar two competitive utilities have been given franchises to sell their services in the same locality and it appears that the effect of enforcing a minimum rate would be to destroy the right of one of them "to fight to a finish the battle for financial life."

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[1] Frelinghuysen v. State Highway Commission, 107 N. J. L. 218, 152 Atl. 97, noted in the issue of September, 1931.

[2] City of Newton v. Perry, 163 Mass. 319, 39 N. E. 1032. See, also, Driscoll v. New Haven, 75 Conn. 92, 52 Atl. 618.

[3] See Note on New Orleans Land Co. v. Board of Levee Commissioners, 132 So. 121, reported in the April, 1931, number of this Review and cases cited therein.

In affirming the interlocutory injunction, the Supreme Court states that its order is to be without prejudice to the consideration and determination at final hearing of all questions of law and fact, including the question of the reasonableness in the circumstances disclosed of the order which is the subject of the suit.

* * *

Chicago's Forest Preserve.—TITLE TO REAL PROPERTY PURCHASED WITHOUT LEGISLATIVE AUTHORITY.—The question is often raised as to the effect upon title to lands purchased by a municipal corporation under a general power to acquire real estate for general municipal purposes, where no authority exists to acquire the land for the particular use. This question was before the Supreme Court of Illinois in *Mills* v. *Forest Preserve District of Cook County*, 178 N. E. 126, in which the plaintiff sought a decree to have lands granted by him reconveyed upon tendering back the purchase price on the ground that the acquisition of the land had been beyond the powers of the corporation. The facts supported the contention, which was admitted by the defendant, that the district was without power to acquire the lands in question in the manner which had been followed.

In holding that the petitioner had no standing in a court of equity for the relief demanded, the court relied upon the general rule that if the acquisition of lands is within the general powers of the corporation, no one can question the validity of the title thus acquired except the state itself. The opinion of the court is especially valuable for its review of the leading decisions of the courts of the several states upon this point. The use of the term ultra vires in this connection is unfortunate as it is applied to include acts invalid because of special charter limitations upon the purposes and procedure governing the exercise of a general power, as well as those acts clearly beyond any power conferred upon the municipality for any purposes.

* * *

Police Power.—ESTOPPEL OF CITY TO REVOKE PERMIT ISSUED UNDER A MISTAKE OF FACT.—In *District of Columbia* v. *Cahill*, 54 Fed. (2d) 453, the Court of Appeals holds that the action of the district commissioners in ordering the revocation of a permit for a garage, after the defendant had relied upon a permit issued by the building inspector and had expended several thousand dollars in improvements, was void and that the owner was entitled to a continuance of the use of the building in the restricted district. The inspector had approved the application as one for continuing use, but after the improvements were made the commissioners, acting upon a protest of neighboring owners, found that the prior use had never been valid and that the permit had been issued under a mistake of fact.

The court applies the principle that municipal corporations are subject to estoppel in pais where justice and good faith require. The court says: "In our opinion the instant case is one where under all the circumstances to assert a supposed public right would be to encourage and promote a wrong, whereby a party acting in good faith under affirmative acts of a municipal corporation, and making expensive and permanent improvements in reliance thereon, would unjustly and inequitably be deprived of the rights which the corporation has granted to him."[1]

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[1] See, also, People v. Rock Island, 215 Ill. 488, 74 N. C. 437; Hagerstown v. Railway Co., 123 Md. 183, 91 Atl. 170.

PUBLIC UTILITIES

EDITED BY JOHN BAUER *Director, American Public Utilities Bureau*

"Managing" Philadelphia Rapid Transit.—For many years the achievements of the so-called "Mitten management" of the Philadelphia Rapid Transit Company had been broadcast throughout the land. Its success in dealing with employees was particularly extolled. Its system of employee-ownership and employee-banking received unbounded praise. In the meanwhile, excessive payments to the management, manipulation for profit to insiders, financial extravagance, and the rankest of improvidence were covered up through clever organization. It obtained complete control for the small management group with little or no actual investment in the company.

The real facts of the Mitten régime were made public through an action brought by the city of Philadelphia for an adjudication of its rights under its 1907 contract with the Philadelphia Rapid Transit Company. Judge Harry S. McDevitt of the Court of Common Pleas of the County of Philadelphia, made in full detail the findings of fact, discussed the points at issue, and presented the conclusions of law. His findings stand as a sweeping condemnation of the Mitten management.

Thomas E. Mitten first entered into a management contract with the Philadelphia Rapid Transit Company in 1911. He received $158,000 per year for the supervision and operation of the company, and for the payment of expert advisers and office expenses. This contract continued up to March 31, 1924. At this time the agreement was shifted to the "Mitten Management, Inc.," a $10,000 Delaware corporation. After several modifications, the compensation was fixed, in March, 1926, at 4 per cent of the gross revenues of the system, not only the Philadelphia Rapid Transit Company itself, but all of its subsidiaries. This included taxicab companies and all the properties acquired through Mitten efforts.

The management fee was thus increased from $158,000 per year to about $2,400,000 a year. In the meanwhile, however, the salaries of general officers, apart from the management fees, increased from $220,023 for the year ending June 30, 1924, to $331,547 four years later. Besides, there were special outside experts and consultants to assist the "management" and paid by the company.

The inside group, through interallied companies, had succeeded in obtaining the proxy of the bulk of the stock of the Philadelphia Rapid Transit Company. Through this control it was able to shift about officers to suit its own purposes. The plans of the "management" as adopted at early morning breakfasts in Mr. Mitten's apartment, were adopted by the same group under different legal set-ups at successive meetings during the day, and were finally approved by the stockholders through the exercise of proxies.

Under the 1907 contract, the city had granted specific rights to the company to enable it to carry on its operation and financial needs more satisfactorily. It had also freed the company from excise taxes, and provided that the city shall share 50–50 in all net returns of the company above 6 per cent on the paid-in capital stock. The company was required to file annual reports with the comptroller whose duty it was to examine the accounts and records to ascertain their correctness. All major decisions as to enlargement of properties, security issues and policies, required the approval of the city council.

Following the entrenchment of the Mitten management, the company discontinued filing the annual reports with the comptroller, and refused the city access to its books and records. Only after a special order of the court, were the records made available for a thorough investigation through which the facts were disclosed as found by Judge McDevitt.

The city had a definite financial interest in the economical management of the company. It was entitled to a voice in the control through representation on the board of directors, through annual reports and audits of the accounts, and through the special approvals by the city council. In all these matters its rights were ignored, and the "management," through its ramifications, carried out its own policies. And there were no profits for the city, and not 6 per cent for the stockholders.

The total burdens placed upon the company included not only the management fees, which were rigged upward from $158,000 to $2,400,000 a year, but also deals in real estate and leases, the purchase of taxicab properties at exorbitant prices, and fruitless expeditions in other enterprises which had no reasonable connection with the purposes of the Philadelphia Rapid Transit Company. For none of these undertakings had the approval of the city been obtained.

The total burdens and costs resulted in aggregate losses of over $15,000,000 to the company. The court found that the company was not insolvent, but it appointed receivers to operate the property, cancel the "management" agreement, and obtain restitution of funds.

This is a glaring instance of what "management" may undertake and achieve if not kept under adequate and definite public control. The facts were well shrouded, and came to light only through court proceedings. They give a notion of what the management activities may have been in the hundreds of other instances throughout the country where there has been no recourse to the courts. The investigation ordered by the House of Representatives into public utility ownership and control, should not fail to follow up the ramification of "management."

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Questions Regarding Kansas City Street Railway Purchase.—In the last number, we included an article by Edward White describing and briefly discussing the proposed municipal purchase of the Kansas City street railways. The proposal is unique in that it provides for the acquisition of the capital stock instead of the physical property. It raises distinct legal issues as well as questions as to basic desirability and justification. The following is a brief statement by Walter Matscheck who has been close to the Kansas City street railway problem for many years, and who, of course, has a disinterested and public point of view:

"In the public utilities section of the Review for March, there appeared a note concerning a proposed ordinance for the purchase of street railways in Kansas City.

"The note stated that the people of Kansas City are to vote on this ordinance April 12. Whether this will be done is not yet decided. The ordinance is an initiated ordinance promoted by Edward White and submitted to the council under provisions of the charter with a sufficient number of signatures to the petition to require the calling of an election. The council refused to submit the ordinance on the grounds that it was unconstitutional. The promoters of the ordinance have requested the state supreme court to order the council to call the election. Arguments in this suit are to begin March 15.

"The principal constitutional objection raised by the city is that there is no authority in charter or law for the condemnation of the stock of any utility, as is proposed in this ordinance.

"There are other questions which might be raised also. One is whether there is authority in the charter to pay for stock so condemned by a special assessment against real estate. Another is whether the payment of interest and principal on outstanding bonds, which would be an obligation of the city under the ordinance, can be specially assessed. A third is whether a special assessment levied on a district which includes all the land in the city is in fact a special assessment. A fourth relates to the naming of the board of public utility within the ordinance itself. Still other questions to be raised include the relationship of the street railways in Kansas City, Kansas, which are part of the system as now owned.

"The supreme court is not asked to decide these questions now but merely to determine whether or not the city council must call an election on the ordinance. If the court decides that an election must be held, it seems that there will be enough constitutional questions to keep Kansas City busy for some time to come, if the ordinance is approved by the people.

"I have not raised here the questions of the merits of the ordinance itself or the method of acquisition and payment contemplated."

⁂

Is Regulation Hopeless?—Among progressive political and economic thinkers, the conviction has been spreading rapidly that regulation of public utilities is hopeless for the purpose of protecting and promoting the public interest.

In the February number of the REVIEW we published an exchange of letters with George L. Record on the efficiency of regulation. He holds that the inherent profits of monopoly inevitably bring the regulators under the control of the assumed-to-be regulated. Much the same view has been recently adopted officially as a part of the four-year political program of the League for Independent Political Action. Its position is as follows:

> ### POWER AND PUBLIC UTILITIES
>
> Private ownership of the power industry and public utilities in the United States has failed properly to serve the public, and resulted in evils intolerable in a democracy. Regulation has failed to protect the public interest and has proved a source of corruption of government, because the profits of the power monopoly and other utility companies are so great as to form an irresistible incentive for breaking down and controlling regulation and for undermining the integrity of government. The public utility companies have established the greatest racket in the world, taking each year from the pockets of American workers at least $500,000,000 through unfair charges and excess rates. Experience has shown that regulation cannot be relied upon to protect the public. In every state of the Union but four the public utility companies are being controlled by them. The Federal Power Commission has been a disgrace to the government.
>
> We propose the following plan of action:
>
> *Federal Operation of Muscle Shoals.* Immediate federal legislation providing for public ownership and operation of Muscle Shoals and other federal power projects.
>
> *Public Ownership.* Federal and state legislation to carry out a program of public ownership and operation of power and public utilities, including immediate legislation to eliminate all present legal restrictions thereto.
>
> *Natural Resources.* Legislation providing for the control of coal, oil and railroads in the public interest, looking forward to eventual public ownership.
>
> *Railroads.* The public should take over the railroads and operate them, rather than subsidize them with a dole.

NOT HAIR-BRAINED

Let no one think that this declaration represents hair-brained radicals. The entire four-year program was drawn up by different groups of specialists. Each group consisted of intellectual leaders in the particular field. In the power and utility group, every participant had long experience with regulation, and had made critical and constructive analysis of his experience. The discussion was liberal in the best sense of the word. Alternatives, with what they involved, were dispassionately considered. The conclusion was all but unanimous, that regulation has been a failure, that it is worse than useless, that it cannot be reconstructed on a satisfactory public basis, that the facts should be frankly faced, and that the united efforts of progressives should be concentrated in the establishment of public ownership and operation.

We had been invited to join the utility group, and, frankly, we stood alone in supporting the rehabilitation of regulation as a part of a broad utility program. We agreed, of course, that regulation has been far from satisfactory, that it not only has not protected the public as had been expected, but that it has been a source of official corruption, with extremely widespread ramification. We were told, and clearly realize, that next to the illicit liquor traffic, the utilities in their effort to make regulation innocuous, easily stand foremost as an insidious force. They have sought in devious ways to influence public opinion, to restrain legislation in the public interest, to make sure that no unfriendly officials are elected or appointed (commissions, governors, legislators, and particularly judges, not overlooking the humbler ranks), and to ward off any action specifically calculated in the public interest.

Just let anybody who has been around with his eyes, ears and mind open, deny these sweeping charges! We don't. We experience their essential correctness almost constantly. Yet, these are matters which are easily subject to exaggeration. I do not agree with a utility friend of mine who boasted that "of course, we control all the men on the commissions, but the public doesn't know it." The public happens to surmise a lot. But, at that, the control by the regulated is not so complete as their efforts and the appearance indicate. I have come in contact with some pretty terrible commissioners and rank conditions otherwise. I have smarted under obvious utility influence. My experience, nevertheless, is that most of the commissioners—the great majority—are sincere and intelligent, and are doing as well as can be reasonably expected under the handicaps with which they are working.

CAN THE SYSTEM BE CHANGED?

Regulation is a human institution, subject to human limitations. So is public ownership and operation. We believe, of course, that the various existing legal restraints against public plants, are archaic and should be abolished. We have presented in this department notable instances of highly successful public operation. But, that does not prove that all public operation has been successful, and that private operation should be universally replaced. Public ownership is not a panacea. It does not automatically end graft and other corruption. Its universal establishment would have to be attended by equally universal political regeneration, or it would probably be as disappointing as regulation.

The failure of regulation, in our judgment, has been due much more to the inadequacy of system than to direct corruptive influences. As to cause and effect, it is primarily the deficiency of the system that has prompted the insidious influences, not that the evil influences have produced the breakdown of the system. Like causal relations appear throughout in our political and economic structures. The success of public ownership will depend upon the system and administration by state and local governments. It will require as far reaching reconstruction of policy and change in standards and machinery of administration, as will the revision of regulation to make it effective from the public standpoint.

The fact, however, is that regulation is far from satisfactory, and it needs fundamental revision as to system and methods of administration. With such revision, private ownership and regulation furnish at least a practical alternative and an opportunity to test more completely the relative advantages of the two systems. This is particularly desirable since the bulk of the properties are now owned and operated privately, and their replacement could be obtained only at enormous political effort and at high economic cost.

But, if the efforts at revision are blocked, if the criticisms of the present system are pooh-poohed, and if the utilities continue the course they have pursued since the war, there is no alternative for honest and intelligent citizens but to espouse the program announced by the League for Independent Political Action. So far the companies have succeeded mostly in preventing any substantial reconstruction. They will doubtless continue in what appears to be shortsighted policy for them. Yet, it is possible that reasonable revision can be obtained notwithstanding the companies and their cohorts of defenders.

Some progress has been made. Last year important changes were made in Wisconsin, both in the law and in the personnel of the commission. The effect has been instantaneous. The new commission has clicked in the manner of the first commission when the idea was new. In South Carolina, the Power Rate Investigating Committee reported in January to the legislature and the governor and has taken firm and progressive ground for effective regulation. It points particularly to a comprehensive state power policy and to a systematic program of rural electrification.

Regulation is being discussed widely by intelligent groups. Important changes are certain to be made. It probably will not be abandoned as a policy so long as private operation continues. A specially important conference for prudential discussion of regulation has been called for April 8 and 9 in New York, under the chairmanship of Morris L. Cooke. The object will be to discuss the problems with an open mind. It will be based, however, on the realization that the existing properties are mostly owned and operated by private companies, and will probably continue on that status for an indefinite period to come. The large question, therefore, to be considered is, how can regulation be reconstructed so as to preserve more representatively the public interest so long as private ownership continues? We shall present a résumé of the conference in the next number of the REVIEW.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER *Virginia Bureau of Public Administration*

UNIVERSITY TRAINING OF MUNICIPAL OFFICIALS IN FRANCE[1]

BY HAZEL M. SKELHORNE

Attempts to improve the conditions of recruitment and advancement of local government employees in France by legislative enactment of the central government, and to foster professional training on the part of the ministry of the interior have both been conspicuous failures. However, in the larger metropolitan centers, the increasing scope and intricacy of the public services have made the evils resulting from the lack of trained administrators so apparent and so serious that courses in public administration have been introduced at the large universities at the instigation of the municipalities. The outstanding achievement in this direction is the National School of Municipal Administration at the University of Paris.

At the present time this movement is largely confined to the urban districts and shows little tendency to spread to the rural communes, where both communal administration and communal employees are still largely at the mercy of politics and caprice, and the favor of the mayor is the first and last qualification for office.

The rural communes find more or less satisfactory a system of instructor-town-clerks, officers of the state who move from town to town filling the office of town clerk and giving a routine course of instruction in the elementary principles of constitutional, public, administrative and civil law. The absence of large public services in the small commune and the simplicity of municipal life make it possible to use this method without serious difficulty, but as it is extended to the larger communes the breakdown becomes more and more complete.

NEW COURSES BEING OFFERED

This is the situation which lead to the establishment in 1920 by the city of Lyon of a preparatory course of instruction in the duties of secretary and town clerk. This course offers general instruction in municipal law and communal finance. The majority of candidates accepted for examination for the parochial offices of Lyon and of the Lyonnaise communes have taken it.

At Nancy the Faculty of Law has taken the initiative in organizing a course exclusively for public administration employees. In 1922 the faculty sanctioned this training by conferring a certificate after the passing of written and oral examinations. The assistant-secretary-general of the city of Nancy conducts a one hour a week course on administrative organization and the secretary-general gives conferences on subjects of administration of his own choosing.

In Nantes, on the initiative of the municipality, the Free School of Law and Notariat has inaugurated courses in constitutional and administrative law exclusively for communal employees. These courses are taught by the head of the legal department of the city of Nantes, and the city attaches a major interest to the possession of this certificate for the directorship of its personnel. No employee can be admitted to the office of chief of a department unless he has a certificate in administrative studies from the School of Law, the only exception being made in the case of employees registered in the university and working for a degree. In order to make these courses available to the town clerks of small cities and neighboring rural communes a summer course has been inaugurated, inexpensive living arrangements have been provided, and during the period of residence in Nantes, the city of Nantes employs the communal employees taking the course as temporary assistants in its services and pays them by the day.

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[1] This is a summary of certain sections of the report prepared by the French Union of Municipalities for the London Congress of this year.

Under the patronage and with the financial assistance of the general council of the North (including a subsidy of 20,000 francs annually), conferences on the study of problems of local administration have recently been organized by the Faculty of Law of Lille, in coöperation with the prefecture of the North. These courses have for their object the organization of a trained, professional staff of municipal officers for the extensive district of the North. They are actually attended by about sixty per cent of the employees of the city.

The Faculty of Law of Montpellier has also organized a series of annual conferences on administrative and financial problems, and the latest movement in this direction comes from the Union of Communal Employees of the three departments of the Lower-Rhine, the Upper-Rhine and the Moselle. After securing the creation by the general council of the Lower-Rhine of a special commission charged with the duty of organizing the professional training of municipal employees in the departments of local law, they submitted to this commission the following concrete proposals: (1) The creation of an autonomous, interdepartmental school of instruction to be combined with the Faculty of Law of Strasbourg; (2) admission to this institution of communal employees in office, and of candidates planning to enter the communal administration; (3) subsidization of the institution by the three departments with optional contributions from the communes; (4) the creation of departmental scholarships; and (5) payment by the communes of the expenses for matriculation, examinations, library fees and tuition of employees taking the course of instruction.

These are the views expressed by the various groups of municipal employees. The commission confined itself to submitting to the prefect of the Lower-Rhine a proposal for the establishment in the University of Strasbourg of a school of municipal administration to which municipal employees in office and all other persons aged at least sixteen years would be eligible for admission. The instruction of the school would include a general elementary course of sixty lessons to be completed in two academic years and a special advanced course with practical application also comprising two academic years. The studies of each year of the elementary course would be acknowledged by a certificate and a third certificate would be equivalent to a university degree. The instruction, given Saturday afternoon, would be entrusted to professors of the Faculty of Law for the general course, and for the special course and the practical conferences to the chief officials of the local administrations.

THE INSTITUTE OF URBANISM

The most extensive program is found in the system of professional education and training organized in the Parisian district, where the Institute of Urbanism with its National School of Municipal Administration has been established at the University of Paris. According to an announcement of the ministry of the interior it is hoped that this will in time become a center of professional training for municipal employees of the entire country.

The Institute of Urbanism was founded in 1919 under the title of School of Advanced Studies in Urban Problems. It was reorganized under its present name at the University of Paris in 1924 and its financial condition guaranteed by an annual donation from the department of the Seine as well as by the profits of its right of enrollment and examination. It includes two establishments: The Institute of Urbanism proper, and since the end of 1929, the National School of Municipal Administration which, in fact, has been in operation since 1922 under the name of Department of Administrative Training.

The Institute of Urbanism admits students offering a general educational background (a bachelor's degree in secondary instruction, or a diploma of advanced primary instruction, a certificate in administrative or financial studies conferred by the Faculty of Law, or certificates from the National School of Municipal Administration). Equivalent foreign diplomas are accepted. The instruction includes four sessions corresponding to two years of study and is divided into five sections, including in each a foundation course and supplementary lectures, a follows: (1) Evolution of cities; (2) social organization of cities; (3) administrative organization of cities, including the study of solutions to problems which affect the life of urban centers, and the functioning of municipal public services; (4) economic organization of cities; (5) metropolitan planning, architecture (the art and technique of construction). The course of instruction of the Institute, which comprises a combination of studies in municipal organization and the natural evolution of urban phenomena, tends to place those who complete it, either in the architectural field or in the field of municipal engineering, in administrative positions in important centers, or at least in the line of advancement to such positions.

The theoretical courses take place at six o'clock in the evening, thus enabling a student to carry on a profession while completing his studies. No correspondence course is offered except for special training open to students not living in Paris who can occasionally obtain exemption from the oral course. These students receive outlines of the courses and practical problems to work, and must pass examinations, which are so arranged as to enable them to take them during a short residence in Paris. These examinations cover the subjects taught during each two years of instruction. A third year is devoted to the composition of a thesis in which the student demonstrates his ability in the line of research work.

Candidates for admission must be eighteen years of age, and upon completion of the course of study receive the degree of Special Studies in Urbanism.

Already some of the secretaries of cities of the province, of large cities of the Parisian precincts, and certain directors of municipal services, are graduates of the Institute, where they have received, it would seem, a splendid training in problems of municipal administration.

A degree from the Institute of Urbanism is apparently equivalent to a university degree. It does not give directly the right to appointment to offices of the city of Paris and of the department of the Seine, but it confers the right of admission to examination. Graduate students have attempted to secure for graduates of the Institute of Urbanism a right of priority for appointment to the office of city clerk in the important municipalities. This has been secured in communal ordinances adopted by several suburban communes in the Parisian region. It has not been realized throughout the country at large where, as pointed out above, the attempt at scientific regulation of training and recruitment is still vague and ineffective and the mayor is left complete freedom in the choice of department heads and personnel. The latter condition explains why, of the non-resident students attracted by the Institute of Urbanism, the number of French provincial students is very limited.

SCHOOL OF ADMINISTRATIVE TRAINING

The School of Administrative Training, which is called the National School of Municipal Administration affiliated with the Institute of Urbanism, offers a preparatory training for the advanced course of instruction offered in the Institute of Urbanism and also assures to municipal employees and candidates for municipal office such instruction as practical experience without a general educational background would never give them. The training is simple, concrete and free from theoretical abstruseness, adhering closely to the lines of practical administration, the efficient execution of which is the ultimate aim and object of the instruction.

A certificate from this first section signifies the satisfactory completion in the National School of Municipal Administration of sixty lessons, divided into four sessions, each consisting of an elementary course in administration and civil law. Graduates, consisting mainly of young men of eighteen or nineteen years of age, are eligible to subordinate positions in the city government, and to admission to the Institute of Urbanism, or they may continue their course in the National School of Municipal Administration, entering the second and final section. This section offers a detailed, practical and applied course of study in the principal problems of local administration. It requires practical work on the budgets and administrative accounting methods of the communes. This second section has for its particular object the training of employees seeking to attain the higher municipal offices. It confers the diploma of the National School of Municipal Administration.

All the courses are given at six o'clock in the evening at the Faculty of Law of Paris, thus allowing municipal employees to perform their duties while obtaining professional training. Moreover, a special correspondence course has been arranged for the benefit of provincial students. These students receive outlines of the course and are required to write out exercises which are corrected and annotated. The written and oral examinations are held in Paris, but the board of examiners also goes to the cities where the number of candidates for examination justifies such a journey.

The annual library and matriculation charges (100 francs a year), and the miscellaneous expenses incidental to attending courses are paid by the students. An association of graduate students, recently organized, is working to obtain from the mayors the establishment of scholarships, and in general the recognition in the statutes governing the communal personnel of a right of priority in obtaining office for graduates of the National School of Municipal Administration.

Certain municipalities have undertaken to finance the education of their employees. Others have offered a special gratuity, adding it to the salary of those of their employees registered in the School. Still others have exempted the graduates of the School from the qualifying examinations required by their local ordinances for accession to certain grades of office. This is the case in the suburban communes of the Seine.

EXAMINATIONS—CLASSIFICATION

Of the eighty suburban communes of the department of the Seine, about half have adopted for the recruitment and advancement of their personnel a unique statute creating an intercommunal board of examinations and an intercommunal board charged with the interpretation of the statute. In these communes, which are largely composed of cities or metropolitan centers, the communal administrative offices are hierarchized and divided into grades—higher, medium and lower—which are to be found, with slight variations of nomenclature, in all the communal administrations whose importance warrants a classification of services and a division of work. The lower grade includes copying-clerks or bookkeepers, clerical workers and stenographers; the next includes the chief clerks or secretaries of the departments, who plan the work of the department, prepare reports, and in general oversee and direct the service with which they are entrusted subject to supervision by the chiefs and assistant heads of the department; and at the top of the hierarchy is the secretary or secretary-general of the city, directly responsible to the municipality and assisted in the large cities by an assistant-secretary-general.

To obtain an office anywhere in the hierarchy it is necessary to be enrolled on an eligible list for the particular office, which is filed in the office of the town clerk. Enrollment on this list depends upon the decision of a board of examiners presided over by a delegate of the prefect of the Seine, assisted by three mayors and two representatives of the communal personnel of the grade next higher than that to which the examination is open. The representatives of the personnel are two secretaries of the town, and the other delegate is an officer of the prefecture of the Seine of the grade of department head or a superior grade.

The candidates for the office of clerk must have a general background of elementary education and have some special knowledge of administrative law, civil law, and principles of public accounting. Candidates for the headships of departments are enrolled in office without examination if they hold a certificate in elementary studies and a certificate from the National School of Municipal Administration. The elementary certificate may be acquired at from sixteen to seventeen years of age, after which it requires two years to graduate from the National School of Municipal Administration. Therefore, accession to the grade of clerk could scarcely occur under twenty years of age. This is moreover the age required to become a candidate for the office. Candidates who hold only the elementary certificate must pass examinations giving proof of their administrative knowledge. Examinations are held as needed. The date is set so as to permit a candidate to present himself successively, at the end of each period of two years, for examination admitting him to a superior grade.

Graduates of the National School of Municipal Administration having for five years held a major office in a municipal administration may assume office without examination if selected from the eligible list for the office of secretary or chief clerk.

In order to be enrolled on the list of those eligible for the office of under-secretary of a department, the candidates must be at least twenty-five years of age, have held for more than two years an administrative or technical office in a commune adhering to the statute, and submit to an examination including written reports and oral examinations on questions of administrative law, financial law, and civil law. The degree conferred by the Institute of Urbanism gives exemption from this examination.

NOTES AND EVENTS

Cleveland's New Mayor.—For the first time in eight years the chief executive of Cleveland is a mayor elected by a direct vote of the people. The new executive, Ray T. Miller, was nominated at a run off primary on January 12; elected on February 16; and installed in office on February 20 in accordance with the provisions of the new mayor-ward-council charter adopted last November in place of the city manager charter which had been in operation since 1923.

Mayor Miller, a Democrat and an attorney, is 39 years of age. He was elected county prosecutor, his first public office, in 1928 and was reëlected in 1930. During the period of his service as prosecutor he was almost constantly before the public in the prosecution of cases involving the malfeasance of public officials (mostly Republicans), whose cases he fought vigorously with the result that two former councilmen, as well as the son of one of them, were sent to the penitentiary.

While it is much too early to draw any conclusions about the new administration, still a few observations in the way things are starting off under the new régime may not be amiss.

The first task confronting the new mayor was the selection of his official family which includes the directors of the seven city departments, a street railway commissioner and the secretary to the mayor. Of this number, only the appointment of the traction commissioner is subject to the approval of the city council. The official family named by the new chief executive is conspicuous in the absence of party veterans; in the comparative youth of the individual members; and in the general lack of experience and training for the particular posts to which they were assigned. The group includes four attorneys (two of whom had served under Miller in the prosecutor's office), a real estate operator and former councilman, an engineer, a member of the board of elections (a woman), an investment house employee, and the secretary of the Democratic campaign committee. Although this brief summary does not tell the whole story of the personal qualifications of the new officials, still it is sufficient to indicate the tendency toward political preferment which seemed to dominate the mayor's selection.

Though more than a month has passed since the new administration took office, the city's budget for 1932 is still waiting for final action. This is in spite of the fact that Acting Mayor Burton had prepared the preliminary budget accompanied by a detailed statement of the problem confronting the city this year.

The only aggressive activity of the administration thus far has been a determined effort to clean house of the employees in every municipal department and office in the city service. Many employees with a Republican leaning have either been laid off or dismissed. Every city employee, not definitely known to be a Democrat, is now trembling on the job expecting to be the next victim of the brutal ax of the political spoilsmen. Numerous division heads and other important public employees were asked to resign during the first few days of the new régime; but almost immediately thereafter were urged to stay on for an indefinite period until their successors might be selected. Even now the number of changes in personnel which have been made has tended to disrupt the fairly smooth running municipal machinery of Cleveland. Several discharged employees whose service to the city has covered many years and who are under the classified civil service have instigated legal proceedings in an effort to regain their positions.

No plan of administrative policy or program of operation has yet been set forth or even promised by the mayor or the administration.

Sherwood L. Reeder.

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Chicago Unraveling Fiscal Snarl.—Chicago is slowly unraveling the fiscal snarl which has brought its local governments to the verge of complete standstill. The main causes of the present predicament have already been reported fully in earlier issues of the Review. At the present writing the assessing machinery of Cook County has been reorganized and an honest, capable and impartial assessor placed in full charge. Legislative authorization is being obtained through a special session of the Illinois general assembly, meeting intermittently since November 5, to bridge the gap until the tax gathering machinery can be made to function normally again. Vigorous efforts are also being made to force the various taxing bodies to reduce current budgets so that the aggregate expenditures of all governments in Cook County in 1932 will fall within sharply decreasing tax collections.

The reorganization of the assessing machinery was item one on the legislative program of the governor's tax conference. The conference proposed the appointment of an assessor and of two reviewers in place of the former elective boards. Practically, the new offices were to displace five Democratic members of the board of assessors, three Republican reviewers and thirty Republican township assessors, all of whom were elective. But the change called upon a Republican controlled assembly to legislate several Republicans out of office and to abolish a system which had been valuable to both parties; also to empower the Democratic president of the board of Cook County commissioners to fill the new offices. The plan was violently opposed by the vested political interests of both parties. Only after tremendous public opinion and pressure was brought to bear and a compromise measure was offered, did the legislature act. The compromise provided for the appointment of the assessor and reviewers now and for their election after 1934; also for the retention of the township assessors as deputies. The governor and county board president jointly name the assessor and each appoints a reviewer.

J. L. Jacobs, who for many years has acted as efficiency adviser to Cook County, the city of Chicago, and other governments, has been appointed assessor. His task obviously is one of extreme difficulty and great responsibility. In local parlance, he's "on the spot." Observers are highly confident that, despite Illinois' antiquated revenue laws, he will put the assessing system on a basis where it will produce a tax roll which will stand up in court, and at the same time be one of the primary factors in reëstablishing confidence in the revenue-raising machinery, both on the part of the taxpaying public and the sources of credit upon which the local governments must depend for funds until normal fiscal operations are reëstablished.

Other major measures recommended by the governor's tax conference are a tax on personal incomes, a tax on manufactured tobacco and increased license fees on vehicles and tractors. Revenues from these sources are designed to relieve in part the tax burden now borne by real estate.

The legislature has also adopted a number of minor measures, but still has the major share of its task to perform. An eight-week intermission was taken until after the April 12 primary to permit the members to conduct their renomination campaigns and also to facilitate agreement upon important measures still pending.

A circumstance, which seemed to foreshadow a breakdown of the entire taxing system, was the decision of County Judge E. K. Jarecki invalidating the tax levies of 1928, and by inference the levies of 1929 and 1930, on the ground that vast amounts of personal property, which under the law must be taxed on the same basis as real estate, were fraudulently omitted from the tax rolls. This case is now on appeal before the Illinois supreme court, and will be re-argued during the April term. The decision sharply focused the legislature's attention on the need for a revamping of the assessing system.

An important element in the local situation has been the decline in tax payments. An average of eighty-three per cent of the 1928 taxes was collected; the average for 1929 dropped to sixty-eight per cent, even though these taxes have been in collection for more than a year. If the payments on 1930 taxes, now in process of collection, continue to decline it is estimated that only fifty-three per cent of the amount due will be realized. With more than two-thirds of a billion dollars in tax anticipation warrants now outstanding, the governments have difficulty in obtaining additional credit.

The growing delinquency in tax payments is diagnosed as due in part to the depression, in part to the belief that the taxes represent unfair valuations, and also in part as a protest against corruption, waste, and inefficiency in the local governments.

Vigorous efforts are being made under the leadership of Mayor Anton J. Cermak and his advisers, acting through citizens' committees, to reëstablish the credit of the local governments and to finance the governments in the emergency. Various expedients have been adopted to effect reductions in operating budgets, including whole sale dismissals of employees in the city and county services, part-time and staggered employment schedules and five days' pay for six days' work. The board of education, however, dominated by a holdover Thompson majority, has made political capital out of the situation and has adopted a budget which represents all activities as "cut to the bone," but is still several million dollars above the amount of revenue which it is predicted will be available during the current year. The board now owes thirty-five million dollars in overdue payrolls and its tax warrants are quoted at 75 bid and 80 asked, with the prediction that the price will go lower.

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American Delegation to International Congress of Cities.—The Fifth International Congress of Local Authorities is to be held in London from May 23 to 29, and is to be followed by municipal excursions and tours both in and around London and in various parts of England, Wales and Scotland for some two or three weeks after the Congress itself.

These Congresses form a portion of the activities of the International Union of Local Authorities whose central office is at Brussels, its president being Senator Wibaut of Holland, and its director Senator Vinck of Belgium. The International Union was established in 1913, when the first Congress was held at Ghent. The second Congress took place at Amsterdam in 1924, the third at Paris in 1925, and the fourth at Seville and Barcelona in 1929. The outcome of these Congresses has been a number of volumes containing contributions from the many affiliated countries, affording valuable information as to local government law and practice in various spheres.

Indications are that the American delegation to the fifth Congress will be larger than has heretofore attended any such meeting abroad. The S. S. *Lapland* of the Red Star Line has been selected as the official ship for the delegation. The *Lapland* sails from New York on Friday, May 13, and the delegates will be in London eight days later. Delegates are guaranteed an outside stateroom on B deck at the minimum rate of $147.50 per passenger, counting not more than two persons per cabin. If the delegation numbers more than twenty-five persons, including members of families of delegates, a further reduction will be granted.

Persons interested in making the trip may communicate with Dr. Luther Gulick, Institute of Public Administration, 302 East 35th Street, New York.

Two questions only will be debated at the Congress, (1) the practical working of local authorities and (2) the recruitment and training of local government officials. Papers on these subjects have been received from 31 countries. These will be published in three languages (English, French and German) and distributed to delegates before the Congress, together with a general report on each question, coördinating and commenting upon the information contained in the national reports. At the discussions on these papers it is proposed to arrange for simultaneous translations of the speeches by microphonic apparatus as carried out at meetings of the League of Nations at Geneva.

It is to be noted that overseas visitors are not invited to take part in the examination of the dry bones of a system but, after having discussed certain questions of vital interest in the Congress itself, to proceed to study a living organism in those aspects which most appeal to them. With this end in view, tours in and around London have been arranged to cover such subjects, among others, as Public Health Administration, Sanitary Engineering, Schools, Police, Fire Brigades, Libraries, Public Baths, Parks, Public Assistance, Town Planning and Housing.

During the week in London there will be opportunities of seeing some of the many activities of the London County Council, the ancient historic institutions of the city, the working of the 28 metropolitan boroughs, the administration of the docks by the Port of London Authority, the transport system of London, the fire brigade service and many other subjects of municipal concern. Although the conference itself is to be held in London, visits will by no means be confined to the capital. On one of the days of the London week there will be a choice of excursions to such places as Brighton, Canterbury, Hastings, Oxford and Windsor, while those interested in the layout of towns will no doubt choose the excursion arranged to the garden cities of Letchworth and Welwyn.

During the week following the London conference a series of eight tours has been arranged to various parts of England. At each place opportunity will be given to see some section of the machinery of local government functioning according to the needs of the particular locality, as well as to visit the salient objects of historical and civic interest.

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Rochester's Municipal Credit Plan.—A proposal of Mayor Owen of the city of Rochester for a municipal credit plan, introduced in the state senate on February 11, has caused considerable comment in financial and governmental circles. As stated in section 1 of the bill, its purpose is for the alleviation of an emergency created by a strained economic depression. It is well-known that the credit of municipalities generally, is strained as a result of increased expenditures for welfare purposes, paralleled by a marked decrease in the value of taxable property. The buyers of municipal securities look askance upon the balance sheets of cities. It is becoming increasingly difficult for municipalities to float loans for the conduct of their current business because of this loss of faith in municipal credit. Back of this proposal is the feeling that the financial structure of municipalities and the state must undergo revision if government is to become increasingly socialized.

Mayor Owen's proposal is that a state agency be created by the legislature to be known as "The public credit and sinking fund corporation of the State of New York." This corporation shall have the power "to invest in, purchase and sell, obligations of the State and obligations of any municipal corporation or public district or agency of the State" with limitations. After April 1, 1933, no obligations maturing subsequent to April 1, 1938 shall be purchased. All municipal securities shall yield five per cent at maturity. The above provisions indicate that the bill was designed primarily as a temporary expedient and not in any sense as a permanent solution. The total amount of securities which the state corporation can hold at any one time is $40,000,000. Any one agency may float obligations through the state corporation in an amount not to exceed two per cent on the assessed valuation of the real estate subject to taxation. No one agency shall be able to float securities to exceed thirty per cent of the total of such securities held by the corporation. There is ample provision in the bill to guarantee the securities issued by the corporation. Of extreme interest and importance is the fact that any agency, in order to secure the consent of the corporation to purchase obligations issued by it (the agency) may make changes or reductions in its budget at any time, including a revision of its salary schedule. This smacks of state control over municipal expenditures.

Fundamentally, it was the purpose of the bill to make it possible for municipalities of the state to use the city's credit in floating certain of their obligations, primarily those for welfare purposes, at a time when municipal credit is impaired.

The bill did not pass the legislature.

Alfred Gates.

Rochester Bureau of Municipal Research.

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Special Taxes for Local Unemployment Relief in Wisconsin.—Between six and seven million dollars will be raised by special taxes for expenditure by cities, villages, towns and counties for unemployment relief as a result of a law enacted by the Wisconsin legislature in January after a ten weeks' deadlock. A similar bill providing five million dollars narrowly failed of passage in June through lack of administration support.

Because of optional alternate methods of poor relief in Wisconsin, by counties or by cities, villages and towns, the law appropriates to the local unit administering relief. The emergency board (governor and chairmen of the legislative finance committees) will release funds only to the extent of receipts from the special taxes.

An initial sum of one dollar per capita was paid to the local units late in February. A second payment of one-quarter the amount spent by local units for relief in 1931 will be payable after the necessary information is gathered by the industrial commission, and the funds are released. "Relief expenditures" not only include direct relief, but also so much of the labor costs of public works undertaken to provide employment as the industrial commission finds represented the equivalent of public relief.

After deducting administration costs and $500,000 for forest fire protection work to provide employment, and $250,000 for distribution to local units not adequately aided by the law, the balance raised by the special taxes will be distributed to the local units in the proportion which their relief expenditures for 1931 bore to the total expenditures throughout the state. This last allotment may be made at times and in amounts as the emergency board shall direct, presumably to protect the general fund of the state.

No specifications as to expenditures by local units are imposed, except that money remaining at the end of 1933 shall be used for reducing local general property taxes.

It is estimated that over $6,000,000 of the revenue will be raised by a surtax on 1931 incomes of individuals. This surtax is imposed at rates equal to the normal tax, except that no corporation dividends will be deductible, nor will capital gains be taxable or capital losses deductible. The exemption for dependent children is slightly increased.

The sum of approximately $200,000 will be raised in both 1932 and 1933 from a temporary tax on chain stores, the maximum being fifty dollars per annum per store for more than twenty.

Frederick N. MacMillin.

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Glendale's Public Utility Tax for Unemployment Relief.—Glendale, California, by action of its city council, is levying a 10 per cent tax on public utilities for unemployment relief. The January bills of the public service department are the first to request the relief donation.

This method of raising funds for charity was discussed by the civic bodies and leading citizens of the community, and received endorsement by the Chamber of Commerce directors. It was finally resorted to because the relief committee found that all other sources failed to bring in sufficient revenue. It operates in addition to the schemes previously used to aid unemployment.

The tax is based on the total of the light and water bill. The amount for unemployment relief is set out separately from the other figures, and then included in the grand total. The tax is purely voluntary, and any person who does not wish to make the offering has the privilege of crossing off that part of the bill.

With approximately 20,000 homes and apartments in the city receiving water and light service, and an average levy of 50 cents a month on each consumer, the public utility tax is expected to yield $10,000 monthly.

An emergency measure, the plan is looked upon as a "fair and equitable" one which does not impose "any great burden on any particular class." Furthermore, payment of the tax is optional with the consumer.

The raise in rates is therefore not a legal action, but the decision of the council has made the public service department under the direction of the city manager a collection agency for the 10 per cent contribution. As fast as the money is received, it is turned over to the special Chamber of Commerce relief committee.

This method simplifies the collection of a relief fund. It eliminates the extra cost of hiring solicitors to make a canvass of the city. It gives assurance to the people that their contributions become a matter of record and that all of the money thus obtained goes to the city's committee in charge of unemployment relief.

Furthermore, the action is in line with the national program to create more public work. The automatic means of collection makes the money available at once, and immediately puts a large force of the unemployed to work. The value for the money is returned to the public in the form of street improvements and better protection from hill fires. None of the fund is given out as a dole.

The public utility tax, conceived as the only feasible means available for raising the money needed for unemployment relief in Glendale, will be continued until the council orders it taken off the bills.

Frances N. Ahl.

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Public School Finance in South Carolina.—Some definite plan for the retirement of the state deficit of $5,000,000 within a specific time and a balanced budget were necessary when the South Carolina general assembly convened in January. There was no sale for bonds and no credit was available until the deficit was refinanced. Reduction of state appropriations appeared to be the only answer.

The protest against taxes has seldom been so general, so determined. Something in the nature of a political revolution was made articulate through the organization of the Farmers' and Taxpayers' League, which serves as a rallying center and operates through its units in each of the forty-six counties of the state.

The largest single item in the annual appropriation, of course, is in support of the public school system. Here the League found its greatest yield for immediate "economy."

To this end the League is adopting whatever means may seem to promise an opening wedge in the "6–0–1 Law" which was enacted in 1924, to equalize cost and apportionments for the several counties. A three-mill constitutional tax and a four-mill statutory levy for school purposes are spent in each county where they originate. If these seven mills raise insufficient funds to pay minimum salaries of ninety dollars a month for six months, the state agreed to supplement the amount—provided, the district would guarantee an additional month.

For 1931, the state appropriated $3,500,000 under this law. For 1932, the League would reduce this figure by $2,000,000, which represents the amount of revenue collected last year under the five-mill state property levy. Failing in this, the second proposal of this organization was the removal of the four-mill ad valorem tax assessed in each of the counties as indicated above. Either would practically wreck the schools, particularly the rural schools. Neither is likely to be carried out.

However, it is very necessary that the 6–0–1 Law be amended. Sufficient revenue is not in sight to meet its provisions. Indeed, the amount appropriated last year was insufficient to meet the schedule, and many teachers have not been paid in full for months.

To meet the amount now due on the contracts, the League suggests that the state issue to the teachers its notes. What will probably happen is that the minimum salary schedule will be reduced about ten per cent. It is estimated that this would save the state $350,000 under the 6–0–1 appropriation, and effect a reduction of over a million dollars to the taxpayers in the district school tax. Incidentally, it would enable payment of the approximately two million dollars in back salaries now due the teachers.

James K. Coleman.

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Voting Machines in Pennsylvania.—Voting machines were used in nearly one-third of the counties of Pennsylvania in the November election, 1931. The constitutional amendment passed at the general election, November, 1928, permitted a local option law giving any county, city, borough or township the right to adopt voting machines.

Some of the organizations that advocated voting machines and worked for the constitutional amendment and the voting machine law are the Pennsylvania League of Women Voters, the Pennsylvania Elections Association, the Chamber of Commerce, the State Federation of Pennsylvania Women, the Women's Christian Temperance Union, the Pennsylvania Council of Republican Women, the Republican Women of Pennsylvania, and the Pennsylvania Federation of Democratic Women. Service clubs, patriotic organizations, religious, civic and political groups have coöperated in local communities to secure voting machines.

In Scranton the Chamber of Commerce and the League of Women Voters led the campaign and machines were adopted not only in Scranton and Carbondale but throughout Lackawanna County, it being the first county in Pennsylvania to be fully equipped. A number of other cities employed them also.

In the city and county of Philadelphia, voting machines were used in the first twenty-two wards. The electors adopted voting machines by a three and a half to one vote, in November, 1929, and appropriated $2,000,000 to pay for them. The county commissioners had bought fifty voting machines and installed machines in the thirty-one election divisions of the First Ward in the spring of 1930. Later in the year they purchased five hundred machines. Delaying, again and again, to award further contracts, late in the summer of 1931, they finally ordered two hundred more machines, which were delivered in time for the November election. As the bonds had been sold and the money was available it was expected that the commissioners would provide a sufficient number of machines for all of the forty-eight wards of the city.

Early in January, the secretary of the Commonwealth, acting in accordance with the voting machine law, advertised for bids and contracted with the Automatic Voting Machine Corporation for eight hundred machines for Philadelphia, to be delivered April 1. The commissioners of Philadelphia instituted injunction proceedings which were dismissed in the Dauphin County Court but the Supreme Court ordered a stay of all proceedings until the constitutionality of the law should be established. In all of the counties mentioned these machines functioned well. They are of the same type used in New York State for more than thirty-four years and in Connecticut, Indiana, Iowa, California and other states for many years.

In Allegheny, Schuylkill and Northumberland Counties the American voting machine was used but complaints have been made that it did not give satisfaction. After a reëxamination of these machines, the secretary of the Commonwealth ordered them returned to the factory of the Poole Engineering and Machine Company of

Baltimore to be made to conform with the law. A receiver has been appointed for the company and it is not likely that any of the machines will be used at the coming election. A third machine has been offered for sale by the Shoup Voting Machine Corporation and to be manufactured by the Berger Manufacturing Company of Canton, Ohio. The Adriance Machine Works, Inc., of Brooklyn, New York, has served notice that it has exclusive rights to manufacture and sell the Shoup voting machine for five years.

Mrs. F. J. Giering.

*

Northwestern University Conference on Police Problems and Methods.—Northwestern University, in coöperation with the Evanston police department, held a four-day conference on police problems and methods at Evanston, February 15–18. More than two hundred police officials, generally from Illinois and Indiana, were in attendance. Speakers included Dr. Arthur J. Todd, professor of sociology, Northwestern University; Professor Leonard D. White, University of Chicago; Honorable C. Wayland Brookes, assistant state's attorney of Cook County; and Professor Andrew A. Bruce of Northwestern University law school. Sectional meetings were held on each day covering technical subjects such as target practice, wrestling, accident reporting and analysis of records and reports. The general sessions were equally divided between two fields, police protection through preventive measures, and crime detection.

The conference was voted such a success that it will undoubtedly be an annual affair. Professor A. R. Hatton presided at all the general sessions.

*

New Jersey Proposal to Pool Municipal Credit.—Governor Moore's tax finance commission as an outlet for municipal tax bonds and notes is opposed by Senator Arthur N. Pierson, the author of the famous municipal bond and budget laws of New Jersey. Senator Pierson argues that the ultimate resting place of municipal issues which the finance corporation would take over would be the same market to which municipalities are now obliged to look for relief. Should the corporation issue its own obligations, supported by obligations of municipalities, it could at best afford only a small fraction of the relief necessary. Unless given more capital than could possibly be appropriated for the purpose its operation would strain the state's credit and would not be worth the effort.

Such an adventure would be equivalent to putting salve on a cancer when a major operation is the only cure, declares Mr. Pierson. The major operation necessary is the cutting down of tax bills and the setting of the municipal house in order.

*

Texas has organized a joint legislative committee on organization and economy. A comprehensive study of the organization of the state government as a whole, and of the departments, institutions and agencies in particular, has been begun. Representative H. N. Graves is chairman of the committee. Griffenhagen and Associates have been retained as consultants and directors of the research staff.

2

Supplement to the

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How American Cities Are Retrenching in Time of Depression

• • • HARRY H. FREEMAN

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EDITOR'S FOREWORD

American local government has accepted the need for retrenchment and many cities are making drastic cuts in expenditures. Indeed in some places the movement for economy has assumed the proportions of a panic; cuts are being made right and left and some of them may return to plague us later.

In its work of aiding the city of Buffalo to frame a retrenchment policy, the Buffalo Municipal Research Bureau made a survey of what other cities are doing.

Ten of the twenty-six covered in this pamphlet were visited by members of the Bureau's staff and intensively studied. Further information was gained from questionnaire replies collected by J. M. Leonard of the Detroit Bureau of Governmental Research.

Mr. Freeman draws no conclusions and indulges in no philosophizing. His purpose is merely to report accurately the concrete means being employed to reduce expenses, in the thought that public officials and private citizens alike may be helped in the difficult tasks confronting their own municipalities.

TABLE OF CONTENTS

PAGE
New York 267
Chicago 267
Philadelphia 267
Detroit 268
Los Angeles 270
Cleveland 270
St. Louis 271
Baltimore 272
Boston 272
Pittsburgh 272
Milwaukee 273
Buffalo 273
Minneapolis 274
Cincinnati 274
Newark 274
Kansas City 275
Seattle 275
Indianapolis 275
Rochester 276
Portland, Oregon 277
Houston 278
Toledo 278
Denver 279
Oakland 279
St. Paul 779
Syracuse 279

How American Cities Are Retrenching in Time of Depression

The various ways in which twenty-six cities are cutting their 1932 budgets

BY HARRY H. FREEMAN

Buffalo Municipal Research Bureau

A COMPLETE and up to date report of the effect of the depression on city budgets and municipal policies is not available. Conditions are changing so rapidly that reports are sometimes outdated before they can be assembled. There is presented here in condensed form brief summaries of the principal economies as reported by 25 of the country's largest cities. They are not in any sense complete stories but rather the high spots of retrenchment in these various communities.

NEW YORK

There have been no major changes in policy so far as operation and maintenance items of the budget are concerned. Nevertheless, some action may be necessary because bankers have demanded drastic revisions before granting additional credit. Approximately $100,000,000 worth of new building projects have been deferred as not urgently needed.

For the current fiscal year the city has appropriated $10,500,000 for unemployment relief which is $1,156,493 more than last year's expenditure. Of this appropriation to be financed by short-term bonds, $2,500,000 is for home relief and $8,000,000 for work relief.

CHICAGO

In the words of its mayor, Chicago "faces its most serious crisis since the fire which destroyed it in 1871." School teachers have received only one and a half months' pay in cash since April, 1931. There is serious talk of closing the schools.

Salaries and wages of all other employees have undergone reductions ranging up to 27 per cent. The personnel has been greatly reduced and it is now proposed to eliminate 2,479 more.

This city, however, does not offer a fair comparison with other cities because of certain local reasons for its precarious financial condition. It nevertheless points a warning to what happens through neglect and bad government.

PHILADELPHIA

The chaotic condition of the city's finances due to several contributing factors will undoubtedly make budgetary curtailments and emergency measures necessary throughout the entire year.

For the present, in order to open the books and restore borrowing capacity to meet cash deficits, the 1932 budget has been balanced technically although inadequate provision has been made for the year's needs. This has been made possible by the following methods.

1. Salaries in excess of $2,000 a year for all employees in the general city departments, exclusive of those in the bureaus of police and fire, have been reduced 10 per cent. The schools are entirely separate and this reduction did not apply to their personnel.
2. About 800 employees, it is reported, have been laid off to eliminate the necessity of a 26 per cent general salary reduction that would have been necessary under the appropriations made.
3. Unemployment relief appropriations have been reduced and there will be no special appropriations for this purpose.
4. No new improvements will be undertaken during the coming year.
5. Work on new improvements under way at the present time may have to cease because of the difficulty in floating bonds.
6. The Philadelphia Art Museum will be open only four days a week instead of seven.
7. A partial closing of libraries may be necessary, according to reports, but as yet the hours of service have not been reduced.

DETROIT

At the beginning of the fiscal year on July 1, 1931 the condition of the city's finances demanded a policy of drastic retrenchment which will be continued through the coming fiscal year. Also in the face of an impending deficit for the present fiscal year which is estimated will total nearly $20,000,000, further severe reductions and curtailments have been proposed.

The city and school tax levies for the current fiscal year which originally totaled $76,000,000 have been reduced to $61,000,000 making necessary the application of the following economy measures.

Municipal Budget Economies

1. The salaries of all employees receiving less than $4,000 a year were reduced 10 per cent on January 1, 1932.
2. Salaries in excess of $4,000 a year were reduced 10 per cent and the amount over $4,000 an additional 10 per cent. These reductions will effect a saving of $1,300,000 in the salary appropriation for the last six months of the fiscal year ending June 30, 1932.
3. The staffs of several agencies including the Detroit Institute of Art, recreation, city plan commission, building and safety and engineering have been "skeletonized" by many eliminations and the "staggering" of the working time for those who remain.
4. Additions to the present personnel will not be permitted.
5. Salary increases, either "automatic" or "promised" will not be allowed.
6. No payments for overtime work will be permitted.
7. The operating allowances for 33 privately owned passenger cars of welfare department employees have been eliminated. For the remaining 153 such cars the former monthly allowances ranging from $25 to $50 have been reduced to $11.20, plus an allowance of 3 cents for each mile driven while engaged in city business.
8. All supply, maintenance and miscellaneous service expenditures have been sharply cut. For example, the expenditures for new library books were reduced from $110,000 to $30,000.
9. The dental division for school children maintained by the board of health has been abolished.

10. The Detroit Institute of Art has been closed for three days a week.
11. Relief expenditures are not being paid from current operating funds.
12. Laborers on the welfare relief lists are being substituted for regular employees in the park and boulevard and public works divisions.
13. Labor appropriations have been reduced without decreasing the prevailing rate of 55 cents an hour.
14. Janitors have replaced patrolmen at 120 street intersections for an extra compensation of 75 cents a day.
15. It is also proposed either to dispense with the services of 200 policemen and 169 firemen for the remainder of the fiscal year or to require all employees in these departments to take a vacation of 11 days without pay.
16. The hours during which street lights are in operation have been curtailed, a large number have been turned off entirely and the candle power of many others has been reduced.

School Budget Economies

1. All salaries in the school system were reduced 3 per cent at the beginning of the school year in September, 1931.
2. An additional salary reduction of 7 per cent was made on January 1 except for 543 employees receiving less than $100 a month.
3. Salaries exceeding $4,000 were first reduced 10 per cent and the amount over $4,000 an additional 10 per cent.
4. No new teachers have been added to the staff.
5. Payments for sick leaves have been reduced by deducting from the teachers' salaries the cost of substitutes for the first ten days of absence on account of illness.
6. All married women in the department have been asked to take a year's leave of absence and the vacancies are to be filled by a reduction in the central non-teaching divisions.
7. An additional reduction in salary expenditures has been proposed which will be accomplished by asking the teachers to work for two weeks without pay.
8. All expenditures for free text and library books, repairs, replacements, alterations, transportation, baths, rents and general stores have been limited to absolute essentials.
9. The practice of paying allowances for the maintenance of privately owned automobiles has been discontinued and all cars owned by the board of education have been taken away from school officials.
10. Rentals have been reduced by combining certain offices.
11. The circulation and number of issues of the *Educational Bulletin* have been reduced.

Proposed Economies for 1932–1933

Aside from the reduced salary expenditures the economies effected so far will bring about an estimated expenditure of $8,600,000 less than was originally appropriated for operation and maintenance or a total reduction of $14,460,000 in all items.

Despite the probability that present economy measures will be applied for the coming fiscal year the following additional proposals have been advanced.

1. Further cuts in salaries.
2. Increased curtailment in expenditures for supplies, maintenance and miscellaneous services.
3. The state to be asked to take over the operation of the house of correction.
4. The county to be asked to take over the operation of the tuberculosis sanitorium.
5. A charge to be made for the use of

tennis courts and other recreational facilities.

6. Through the Water Department a levy for the use of sewerage facilities.

LOS ANGELES

The decline in the revenues of the general municipal government for the first six months of the fiscal year 1931–32 indicates that there will be a deficit of $650,000 by June 30. Coupled with this falling off of revenues, prospective reductions in property assessments will cause a decrease of $4,000,000 in the tax receipts for the fiscal year 1932–33. Therefore it will be necessary to introduce economy measures that will erase the deficit for the current fiscal year and to reduce next year's budget by approximately $4,000,000 below the present total of $24,650,000. The following policies for retrenchment are now under consideration.

1. General salary reductions applied to general governmental employees, excluding the fire and police departments whose scale of compensation is fixed by the charter, and library, park and playground, water and power, and harbor departments whose salary rates under charter provisions are individually administered and are not subject to legislative determination of the city council.
2. Elimination of employees whose duties have been rendered superfluous through cessation of construction activities due to economic recessions.
3. Adoption of a five-day week to provide for the continued employment of some employees who otherwise would be laid off if service and employee elimination policies were rigidly enforced.
4. Elimination of governmental services of a specialized nature and not of essential value to the general public.
5. Waiver by the department of water and power of payment of $480,000 provided in the current year's budget for water service furnished to departments of the general government, and treatment of this item as additional capital advances of the latter.
6. Negotiations with the county of Los Angeles for allotment of an equitable share of gas tax apportionments received by it from the state of California which, hitherto, has been withheld from municipal participation, to be budgeted for municipal street and bridge maintenance and traffic costs.

CLEVELAND

A recent constitutional amendment which in effect reduces the city tax levy, a decrease in assessed valuations and a reduction in revenues have made necessary a policy of retrenchment in municipal expenditures. The following steps have been taken in adherence to this policy.

Municipal Budget Economies for 1931

1. The expenditure allowance for supplies, maintenance and miscellaneous services, beginning on May 1, was reduced 20 per cent based on an estimated decrease of 20 per cent in the prices paid for municipal supplies during the previous year.
2. Very few automatic salary increases were permitted.
3. In December the garbage collection, garbage disposal and street cleaning divisions were operated on a 5-day week basis instead of 5½.

School Budget Economies for 1931

1. Automatic salary increases were suspended.
2. By careful buying the expenditure

for educational supplies was reduced $50,000.

3. The building maintenance cost was reduced from $1,195,143 to $550,000 and the cost of building operation was reduced from $1,840,773 to $1,661,781 by decreasing personnel, curtailing the amount of maintenance work, decreased supply costs and a careful check of operating practices.

Municipal Budget Economies Proposed for 1932

1. The finance director proposes salary and wage appropriation decreases to be based on the following scale of reduction.

Salary	*Percentage of Decrease*
Less than $1,200	0
$1,201–$3,000	8⅓%
$3,001–$5,000	12½%
Over $5,000	15%
Wage appropriations	8⅓%

   It is reported that trade union officials may announce a voluntary cut in hourly wage rates for skilled and unskilled labor and tradesmen.

2. The Citizens League of Cleveland is preparing for the civil service commission a revision of the classification schedule of city employees for the purpose of salary standardization which will point out the possibility of a large saving in salary expenditures.
3. No salary increases will be allowed within the established ranges.
4. Departmental requests for new equipment will be eliminated.
5. The finance director proposes to cut 1932 budget appropriations for supplies, maintenance and miscellaneous services 20 per cent as accomplished for the last eight months of 1931.
6. The five-day week will be continued for the garbage collection, garbage disposal and street cleaning divisions until service increases demand a return to the full-week basis.
7. Further curtailments in services and consolidations of agencies if necessary, will be left to the discretion of the newly elected mayor. The finance director has suggested abolishing the smoke abatement and trade waste agencies temporarily, reducing the building inspection personnel and combining the management of the stadium with the public hall.
8. A retrenchment in expenditures for capital and local improvements will be made wherever possible.

School Budget Economies Proposed for 1932

1. Automatic salary increases will be suspended for the next school year.
2. In order to balance the 1932 budget present opinions indicate the necessity of a decrease in minimum salaries and automatic annual increases.
3. An elimination of rental payments which totaled $68,860 in 1931 and the elimination of $12,160 in the fire insurance reserve fund will effect additional savings.

ST. LOUIS

Up to the present time no definite changes in policy have been adopted in connection with the budget for the fiscal year 1932–33. However those that have been discussed are identical with like practices in many other cities. The following suggestions have been advanced for consideration.

1. Would reduce salaries of certain groups and suspend automatic salary increases for others.
2. Would defer improvements to be paid for by benefit assessments.
3. Would reduce expenditures for certain city activities deemed of least importance.

BALTIMORE

After deciding beforehand that the tax rate for 1932 would be $24.50, the same as last year although there will be a decrease in revenues and an increase in debt service, material and expense appropriations were reduced as far as possible to keep within the income that such a predetermined rate will produce. It was also necessary to reduce salary appropriations by $927,113 which was the difference between the reduced material and expense appropriations and the total required reduction of $1,773,440.

In order to avoid an actual decrease in salary rates this reduction was brought about by obtaining contributions from the salaries of all employees in accordance with the following scale. Police were the only group exempt from making the contribution because such a request could not be enforced since their salaries are fixed by state law.

Salary	*Amount Contributed*
Less than $1,140	0
$1,140	$18
More than $1,140	6½%
Less than $1,200	0
$1,200–$1,499	$50
$1,500–$1,799	$100
$1,800–$2,399	$150
$2,400–$2,999	$200
More than $3,000	10%

BOSTON

The city and school budgets have not been completed at this writing but economies effected last year and those proposed for 1932 offer concrete evidence of a strict policy of retrenchment in municipal and school expenditures. At the close of the fiscal year on December 31 it was reported that the unexpended departmental balances were the largest in the history of the city. This followed the absolute insistence of the mayor that in all departments only absolutely necessary expenditures were to be incurred.

The school department which is not under the control of the mayor also turned back the largest balance of unexpended appropriation in its history. It has announced that it will favor all possible further retrenchment in 1932, even to the elimination of the annual salary increases.

The mayor has announced the following steps that will be taken toward further retrenchment in 1932.

1. There will be no salary increases for 1932 which includes those automatically increased on a sliding scale.
2. Although opposed to cutting the payroll of city employees the mayor and city council have inaugurated a plan by which all employees will give one day's pay each month for five months toward a fund to supplement the appropriation for unemployment relief.
3. The majority of the departments owning automobiles will be required to give them up. These will be replaced by a low rate private service which must be kept at a minimum.
4. Curtailments will be made in research work in city hospitals, extension of traffic signals and telephone service in the homes of city officials.
5. The extension of radio and signal systems and further motorization of the police department will be deferred.

PITTSBURGH

The 1932 municipal budget has been reduced approximately 13 per cent or $3,683,000 under last year's total of $28,747,626 by sharp curtailments in operation and maintenance appropriations which have effected a reduction of $2.50 in the former general city tax rate of $25.50. This was brought about through the enforcement of the following measures.

1. The amount appropriated for salaries was cut approximately $2,200,000 or 60 per cent of the total reduction.
2. Salary rates for those receiving more than $4,000 a year were cut from 8 to 20 per cent and in some cases, depending upon the type of position, salary rates under this amount were also reduced.
3. All employees receiving over $1,200 a year, including policemen and firemen, will take a vacation of at least one month without pay during the current year which is equivalent to a salary reduction of 8½ per cent.
4. The personnel of practically every department has been drastically reduced and many positions have been abolished by ordinance.
5. Approximately 74 inspectors receiving total salaries of $132,746 have been eliminated.
6. Other inspectors, and employees of departments whose work is seasonal are now employed on a monthly basis when needed.
7. Supply appropriations have been sharply cut and in addition were reduced by percentages corresponding to price declines.

The board of public education, a taxing unit entirely separate from the city, in order to keep the tax rate of $11.75 the same as last year made budget curtailments that would offset decreased revenues. The following methods were employed.

1. Automatic salary increases amounting to approximately $110,000, aside from those required by state law, were suspended.
2. Supply and expense appropriations were reduced approximately $80,000.
3. Rigid economies have been enforced in the purchase of materials and supplies.

MILWAUKEE

The general property tax levy, including schools, has been reduced from $26,432,356.75 to $25,280,988.94 for 1932. A budget reduction of 5 per cent was effected as a result of the following reductions.

1. Supply and repair appropriations have been reduced $545,580 from $4,677,512 to $4,131,927.
2. Equipment appropriations have been reduced $150,640 from $332,173 to $181,533.
3. Appropriations for permanent improvements were reduced $306,381 from $1,789,070 to $1,472,689.
4. School expenditures for plant operation, maintenance, repairs and equipment have also been subject to reductions.

BUFFALO

The mayor's budget for the fiscal year beginning on July 1 provides for a reduction of $2,288,242 in departmental operating requests totaling $33,243,472 which amounts to $539,887 less than the operating appropriations of $31,495,117 for the current year. Although subject to further revision by the council the estimates have been reduced below the current appropriations by the following methods.

1. Total general city salary estimates were reduced $225,543 below the current total of $10,548,510 by the abolition of 98 positions. These include the positions of 27 inspectors whose salaries totaled $65,280.
2. Salary cuts effecting a slight reduction were made in a few minor instances.
3. The board of education budget was reduced $83,868 below an appropriation of $10,855,829 for the current year.
4. Moderate reductions were made in all departmental appropriations

to absorb the remaining $230,476 of the total decrease of $539,887 below the current operation and maintenance total.

5. A decrease in debt service will be brought about by the refunding of $4,000,000 in bonds.

MINNEAPOLIS

Up to the present time no major changes have been made in the policy of the city in financing its requirements for 1932. However the decrease in revenues for the current year will result in reducing materially the income of various departments below that of last year. Those most seriously affected are the board of education, the board of park commissioners and the city council. Consequently the following steps have been taken thus far in order to meet the situation.

1. A saving in salaries and general operation and maintenance expense will be made by the board of education which has authorized a reduction of two weeks in the school year in order to meet an approximate reduction of $750,000 in its income.
2. A serious effort is being made by the city council to eliminate various unnecessary positions as a move toward meeting an approximate reduction of between $80,000 and $90,000 in its income.
3. The board of park commissioners has determined to eliminate certain of its activities.
4. No city department, except the board of public welfare has received an increased appropriation.
5. No bonds, the major portion of which are financed by local assessments, are expected to be issued for 1932.

CINCINNATI

The total budget for 1932 excluding school appropriations is $15,676,379, which is $670,491 less than last year. Due to a decrease in revenues and additional demands arising from present economic conditions the following economies are not reflected entirely in this total saving.

1. A moratorium on salary increases has been declared.
2. Teachers' salaries and those of other school employees were reduced 5 per cent on January 1.
3. No new teachers have been engaged and a reduction in the teaching staff is being brought about by leaving vacancies, caused by retirements, unfilled.
4. Curtailments have been made in reducing garbage and waste collections from twice to once a week and placing the laborers on a part-time basis.
5. Maintenance rates for resident employees at the general hospital have been increased.
6. Maintenance services of the sewer, street cleaning and highway repair divisions have been centralized.
7. A centralized auto repair division has been established with a view to bringing about an estimated saving of $50,000.
8. General cuts below last year's requirements have been made wherever possible in all appropriations for maintenance, supplies and miscellaneous services.
9. School maintenance expenditures for 1931–32 have been reduced approximately $80,000.
10. A further reduction in teachers' salaries is anticipated for the coming school year.
11. A reduction in unskilled labor rates, by union officials, is expected shortly.

NEWARK

Although at this writing the 1932 budget has not been adopted it is apparent that in order to place itself in a more favorable light in the bond market it will be necessary for the city to make drastic reductions. The following means are under consideration.

1. A 10 per cent salary cut for all city and school employees to bring about an approximate saving of $2,000,000 has been indicated as a result of the financial situation and pressure from the taxpayers.
2. Salary bills have been introduced in the New Jersey senate which would give state, county and municipal officials the power to order salary reductions for all classes of employees.
3. A cut of $500,000 in operation and maintenance items has already been made after a preliminary budget review.
4. All capital and local improvements, other than those already contracted for, will be suspended.

KANSAS CITY

Preparation of the budget for the fiscal year beginning May 1 has just begun and no definite change in the financial policy has yet been determined. A decrease in the operation and maintenance estimates is expected in addition to the following economies in practice at the present time.

1. Automatic salary increases were suspended by the school board for 1930–31.
2. Salaries were reduced 2 per cent by the school board to accomplish the same result for 1931–32 and there is a possibility that further reductions may be necessary.
3. Salaries were reduced 15 per cent in the county wherever the board had authority for the year 1931 and the reduction will be continued for the current year.

SEATTLE

In adopting the 1932 budget the city council cut to the lowest possible figure the appropriations for operation, maintenance and capital outlays. A comparison with the 1931 budget shows the following result.

Every departmental appropriation was decreased with exception of one where an addition was necessary for biennial registration expense. The departmental appropriations for 1931 totaled $9,106,479.61 and were reduced $906,083 or nearly 10 per cent to $8,200,395.68 for 1932.

INDIANAPOLIS

The state legislature passed a special act in 1931 to prevent the 1932 budgets of all governmental units from exceeding the totals of the previous year. In order to keep within this mandatory limit the following curtailments were effected by the city, county and school units of this particular city.

1. Salary reductions were made in minor instances in the city and school budgets.
2. Automatic salary increases were suspended for the school teachers.
3. No increases were granted for school officials or employees.
4. Common labor rates were reduced by the park board from 45 to 60 cents an hour to 30 to 50 cents.
5. The street division reduced the number of hours a week from 45 to 40.
6. Salaries were reduced 10 per cent by the county authorities except in cases where they are fixed by state law.
7. Common labor rates were reduced for school employees from 45 to 40 cents an hour and the working week cut from 44 to 40 hours.
8. General salary decreases are anticipated during the coming year for all city and school employees.
9. A 20 per cent reduction in skilled labor rates was announced by the local unions on February 1.
10. Personnel eliminations have been made throughout the city service.

11. A 50 per cent reduction in waste collection is being considered by the sanitary department in order to restrict its services.
12. A $75,000 radio road patrol has been abolished by the county.
13. All capital improvement projects will be deferred by local governmental units.
14. Drastic reductions have been made in appropriations for pay-as-you-go improvements.

ROCHESTER

An effort will be made to live within a budget for 1932 which was balanced by drastic cuts by the city manager and council. The total city and school operating budget amounts to $18,594,563.20 after a cut of $467,000 by the manager and $2,220,946.45 by the council. In order to meet this reduction the following retrenchments have been made thus far.

Municipal Budget Economies

1. Major cuts in executive salaries have been made by the council.
2. Salary rates for employees receiving over $3,400 a year were cut as follows:

Salary	*Reduction*
$3,400–$4,999	4%
$5,000–$5,999	6%
$6,000–$6,999	8%
Over $7,000	10%

3. A reduction for lower paid employees may be necessary because of the drastic nature of the departmental cuts.
4. No salaries have been increased except those required by state law.
5. The office of personnel director has been abolished.
6. The service bureau has been abolished.
7. The position of director of police has been abolished.
8. The Museum appropriation has been cut from $60,000 to $17,000 which will make necessary the following curtailments.
    a. Extension service for school children must be eliminated.
    b. Research activities will be eliminated.
    c. Pioneer arts work must be discontinued.
    d. Assembly of exhibits and construction of display cases must be discontinued.
    e. Salaries of floor orderlies totalling $10,000 must be eliminated.
    f. No new exhibits will be purchased.
    g. Cleaning staff must be reduced to one.
    h. Elevator service will be discontinued.
9. The appropriation for parks was cut 22 per cent.
10. The library appropriation was cut 30 per cent.

Board of Education Budget Economies

This budget has been cut $1,080,000 to a total of $8,793,573.04 which is $1,128,000 less than last year's expenditures.

1. Salary contributions aggregating approximately $450,000 have been volunteered by every employee who will give free service equivalent to a 10 per cent salary cut.
2. Approximately $55,000 will be saved by eliminating certain evening school activities.
3. Summer schools will be closed at a saving of $35,000.
4. Rentals will be charged for the use of school buildings to save approximately $10,000.
5. Telephone service and extensions will be curtailed at an approximate saving of $25,000.
6. Piano accompanists in music and health education will be eliminated to save approximately $11,500.
7. Teachers paid on an hourly basis and teachers of instrumental music will be eliminated at a saving of $22,000.

8. Printing and survey expenditures will be deferred at a saving of $15,000.
9. Supervised recreation after school hours will be eliminated to save $10,000.
10. Free transportation will be eliminated to the extent of a $12,500 saving.
11. A drastic reduction will be made in maintenance expenditures.
12. A complete reorganization is expected in June.

PORTLAND, OREGON

Although no definite changes have been made in the budget for 1932 the commissioner of finance has presented 30 specific recommendations for consideration by the council. In his introductory remarks he said in part:

> Municipal operations have for a number of years been based upon rapid population growth, increased wealth, unparalleled prosperity, and what seemed to be almost unlimited community income. It has not been very difficult to be a successful administrator under those conditions. During the past two years, however, a change has taken place. This has been a period of unemployment, deflation, economic stringency, uncertainty and resulting unrest. These circumstances require that we regard public expenditures and economies in a different manner than ever before. This is an exceedingly trying period in municipal administration. In our effort to re-adjust finances and services we will meet with many conflicting demands and much unfounded loose thinking and unjust criticism. This is a period that requires moral courage and the setting aside of so-called personal political expediency. This is not the time when any public official should weaken to indulge in the time honored practice of trying to tear down the sincere constructive efforts of another in order to bolster his own ambitious desires or personal pet schemes.

The following are a few of the suggestions that have been advanced.

1. That the mayor be authorized to appoint a citizen's committee of from five to seven members, representing banking interests, wholesale and retail merchants, organized labor, manufacturers and real estate interests. This committee to be charged with the responsibility of studying the financial affairs of our city government in all its phases, and submit a report and recommendations to our council.
2. That in principle there shall be no increase in the net tax budget for 1932–33.
3. That the principle of no increase in total money for personnel for 1932–33 be adopted.
4. That no new capital projects be started during the year 1932–33.
5. That there be substantial reductions in estimates for 1932–33.
6. That overtime and extra compensation for full-time officials be discontinued wherever possible.
7. That the operating service of the recreation department of the bureau of parks not be increased beyond the scope of services for this year and that all capital expense anticipated for 1933 be deferred.
8. That further reductions should be effected by the council in the operation and maintenance budgets of the several departments and that a study should be made with the object in view of consolidating some minor bureaus.
9. That positions now vacant or becoming vacant during the year, be not filled until approved by the council except in cases where the filling of said positions is absolutely necessary.
10. That the police department endeavor to make arrangements with the school board whereby in many instances the patrolmen who are policing street intersections adjacent to school buildings three or four hours a day, be replaced by school janitors on this duty.

HOUSTON

Resulting from a serious effort to reduce municipal and school expenses a considerable number of employees have been dismissed and there has been a readjustment in salaries paid to city workers. General retrenchments in expenditures and reductions in personnel have also been made by school authorities.

TOLEDO

The expiration of a one mill operating levy and a decrease in assessed valuations have combined in bringing about a decrease of 45 per cent in revenues from the general tax levy. The following measures have been inaugurated to effect drastic economies.

Municipal Budget Economies for 1931

1. Salaries of all city employees were reduced during the last three months of the year as follows:

Salary	*Reduction*
Less than $2,000	5%
$2,001 to $3,000	10%
$3,001 to $4,000	15%
$4,001 to $5,000	20%
More than $5,000	25%

2. No salary increases, except automatic for policemen and firemen, were granted.
3. Vacancies in the police and fire departments were not filled.
4. Civilian school police were not reengaged in September.
5. Engineering division employees were placed on a half time basis.
6. The city plan commission office was closed.
7. Decreases were made in supply and maintenance appropriations.

School Budget Economies for 1931

1. Teachers' salaries have been decreased 10 per cent for the school year 1931–32 by paying them on a nine months basis instead of ten.
2. Working hours have been decreased for clerks in elementary schools.
3. The vocational school has been closed.
4. The number of doctors in the school health service has been decreased.
5. A reserve for fire losses was not set aside as usual.
6. Operation and maintenance costs of the school plant have been pared to a minimum.

Municipal Budget Economies for 1932

1. Salary reductions ranging up to 25 per cent have been made for employees except skilled union laborers and unskilled laborers.
2. Many former full-time employees are now employed as unskilled laborers at hourly rates in their old positions.
3. Several full-time civil service positions have been abolished.
4. Activities have been curtailed which include: the winter recreation program, electrical reinspection, fire prevention, water waste survey, park maintenance, drawbridge operation and engineering.
5. Agencies have been combined as follows: sanitary police with food inspectors, fire and police alarm system under one supervising head and practically all skilled maintenance employees will be assigned to a central bureau to be detailed to divisions as needed.
6. The division of public buildings has been abolished and the responsibility of supervision is now delegated to the department heads using each building.
7. Vacancies in the fire and police departments are not being filled.
8. Contracting for garbage collection, disposal and auto repairs is being considered to replace these services performed by city departments.

School Budget Economies for 1932

1. Salaries will be reduced an additional 10 per cent according to plans for the next school year.

2. Operation and maintenance costs of the school plant will be reduced further.

DENVER

In the absence of specific information regarding definite budget economies for 1932 it may be said that the general policy in this city is an insistence on every department keeping strictly within the limits of its budget appropriation, with retrenchment in view wherever possible. No capital improvements are being contemplated at the present time and those of a local type paid for through special assessments will be continued with a closer scrutiny as to necessity.

A monthly control of expenditures is made mandatory by a charter provision which requires all city departments, with the exception of health, elections, assessment and certain highway divisions, to expend or incur expenditures to the extent of only one-twelfth of their budget appropriation in any one month.

OAKLAND

With the inauguration of the council-manager plan at the beginning of the fiscal year on July 1, 1931 a policy of rigid economy and curtailment of expenditures was adopted. The budget was reduced $284,000 less than the previous year to a total of $6,477,250 by the following curtailments which are expected to be continued for the coming fiscal period.

1. An approximate average reduction of 10 per cent in salary appropriations was effected through a reclassification of jobs and a salary readjustment. The salaries of teachers were not affected because they are under the separate jurisdiction of an elective school board.
2. Personnel has been curtailed to a minimum which will enable departments to function properly.
3. Staggered employment has been allowed in some cases where the employees were willing.
4. Direct welfare relief averaging about $10,000 a month has been financed entirely from savings in budget appropriations.
5. No additional capital improvements have been planned.

ST. PAUL

Although no major reductions were made that can be considered as drastic, the following economies have been introduced.

1. Salaries, except those of teachers, were reduced 3 per cent in 1931 but were not reduced further in 1932.
2. Personnel was reduced in the department of public works to meet a cut of $65,000.
3. The parks and playgrounds appropriation was reduced $11,660.
4. The police budget was cut $21,205.
5. The lighting appropriation was cut $10,869.

SYRACUSE

Following a decrease of 13 per cent in tax receipts, a shrinkage of general revenues amounting to approximately $700,000 and an approximate increase of $700,000 in welfare expense, an advance of $7.77 in the tax rate was imminent. This threatened increase has been discounted to a great extent by the succeeding general and specific curtailments.

1. Salaries of all employees receiving more than $1,200 a year were horizontally cut 10 per cent to bring about an estimated saving of $700,000. Rates have not been effected as the employees will make contributions throughout the year. However a refusal by the police to contribute has resulted in a rate reduction.
2. A salary reduction equivalent to a cut of 25 per cent has been made

by reducing the working time of employees in the engineering department, bureau of buildings, bureau of gas and electricity and bureau of plumbing. This will be made possible by curtailments in public improvements.

3. No increases will be granted except those for teachers as required by state law.
4. A reduction of approximately $250,000 in the public works appropriation will be met by the salary reduction and the elimination of a $94,000 item for 85 ash truckers whose duties will be assumed by man-a-block workers.
5. A reduction of $60,000 in the engineering department appropriation will be accomplished by curtailed activities and the elimination of approximately 26 from the payrolls.
6. A reduction of $50,000 in the department of health appropriation will necessitate the elimination of less vital activities.
7. An approximate cut of 10 per cent in the department of parks budget of $223,000 will be made possible by the elimination of school playgrounds and a reduction in the personnel operating the 13 city playgrounds.
8. A cut of $30,000 in the library appropriation will be met by the following curtailments.
    a. Reading room will be closed one hour earlier.
    b. Purchases of new books will be practically eliminated.
    c. Six married women will take leaves of absence.
    d. Position of assistant librarian at $2,200 has been abolished.
9. Lighting costs will be cut between $50,000 and $60,000 by turning out a total of about ½ the ornamental lights. One will be turned out on a double standard, and alternate single standards will be darkened.
10. Strong agitation favors the elimination of the grade crossing commission.
11. The public safety appropriations have been cut $100,000.
12. The position of secretary to the assessor at $2,800 has been abolished.
13. Three probation officers (married women) have been eliminated to save $3,500.
14. Per diem rates for election inspectors have been reduced. Election day compensation has been reduced from $10 to $8 and primary and registration day compensation from $7 to $6. A total saving of approximately $4,896 will be realized which will pay for the spring primary.
15. The planning, parks and recreation commission has been merged with the park department at a saving of $10,800.
16. Under the quarterly plan of water billing the flat rate consumers will be required to pay 12 cents for each 100 cubic feet used in excess of the quarterly maximum of 1,250 cubic feet for which a maximum rate of $1.50 is charged.

Board of Education Budget Economies

A reduction of approximately $600,000 from the estimated request of $4,400,000 will be met in general by the absorption of about one-third of the cut in instructional service funds. This will mean a 50 per cent reduction of $299,556.50 in the appropriation for instructional service, one-half or about $156,182.86 of which will be in teachers' salaries. The following specific curtailments will be enforced.

1. A 10 per cent salary contribution will be made in monthly installments by the teachers.
2. The Americanization League appropriation will be cut $6,189.
3. About 90 supply teachers have been dropped from the payrolls. Supervisors or department heads will fill temporary vacancies caused by illness.

4. About 100 regular teachers may be eliminated on July 1. The balance will be required to double class teaching assignments.
5. The school health personnel and 25 physical educators will be eliminated.
6. Practically all supply appropriations have been eliminated from the budget. Present books and supplies must last and there are to be no free textbooks available for ninth grade pupils.
7. Appropriations for printing, postage, stationery and traveling expenses have been sharply cut.
8. Approximately $6,120 will be saved through the elimination of every item in the school census and research budget with the exception of the salary of a director at $2,500.
9. An item of $8,000 for summer school teachers has been eliminated.
10. At least 3 school physicians will be eliminated at an approximate saving of $2,150.
11. There will be a reduction of $10,266.60 in the amount set aside for pensions.

City taxes are collected from May 1 to 31 and from September 1 to 30. In order to encourage the payment of the entire bill on May 1, a discount of 2 per cent is offered in order to save both the taxpayers (whose money may be drawing interest) and the city 4 per cent which would have to be paid in addition to the two given as a discount if the funds were borrowed on tax anticipation notes.

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CONTENTS FOR MAY

EDITORIAL COMMENT . . . . *H. W. Dodds* 283
HEADLINES . . . . *Howard P. Jones* 287
IS THE CITY MANAGER PLAN SUITABLE FOR NEW YORK? *Joseph D. McGoldrick* 289
THE CITY MANAGER PLAN IS SUITABLE FOR NEW YORK *Wm. Jay Schieffelin* 293
THE PHILADELPHIA TRI-STATE PLAN . . . . *Samuel P. Wetherill, Jr.* 296
THE BUILDING OF NEW YORK . . . . *Arthur C. Comey* 298
SEATTLE GAYLY ELECTS A MAYOR . . . . *Joseph P. Harris* 301
THE CONTROVERSY OVER FEDERAL UNEMPLOYMENT RELIEF *Benson Y. Landis* 305
REGARDING THE INDIANA TAX PLAN—A REPLY TO "OBSERVER" *Philip Zoercher* 309
WHAT MUNICIPAL HOME RULE MEANS TODAY
V. Missouri . . . . *Thomas S. Barclay* 312

DEPARTMENTS

I. Recent Books Reviewed 319
II. Judicial Decisions . . . . *Reviewed by C. W. Tooke* 326
III. Public Utilities . . . . *Edited by John Bauer* 332
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 335
V. Notes and Events . . . . *Edited by H. W. Dodds* 339

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THE LEAGUE'S BUSINESS

Change of Address.—As announced on this page last month, the headquarters of the National Municipal League was moved on May 1 from 261 Broadway to 309 East 34th Street, New York City. Please note this change of address for future correspondence. All members and friends of the National Municipal League will be welcome at our new headquarters.

⁂

Meeting of Committee on Selection of Judiciary.—The Committee on Selection of Judiciary, sponsored jointly by the National Municipal League and the American Judicature Society, will meet at the Hotel Mayflower, Washington, D. C., for luncheon at 12:30 P. M., Thursday, May 5. This committee has as its chairman Dean Justin Miller, Duke University Law School; and the secretary of the committee is Edward M. Martin, public affairs secretary, Union League Club of Chicago.

⁂

Meeting of Officers of National Municipal League.—The council and vice presidents of the National Municipal League will meet at the Union League Club of Chicago on May 14 and 15. The first session will be a dinner meeting beginning at 6:30 P. M. on May 14. At this time the work plans for the coming year and the financial requirements of the organization, now enlarged by the consolidation with the Proportional Representation League, will be thoroughly discussed.

⁂

President Seasongood Honored by his Alma Mater.—The Hon. Murray Seasongood, president of the National Municipal League, has been appointed by the Harvard Corporation to deliver the Godkin lectures, two to six in number, at some time during the university year 1932–33. The lectures will be on "The Essentials of Free Government and the Duties of the Citizen." Mr. Seasongood graduated from Harvard in 1900, in the following year received the degree of master of arts, and graduated from the Harvard Law School in 1903. This very happy selection of Mr. Seasongood as the Godkin lecturer for next year indicates his standing among the sons of Harvard.

Last year Mr. Seasongood contributed two articles to the *Harvard Graduates' Magazine* on the subjects of "How Political Gangs Work" and "Some Recent Trends in Municipal Government." These have now been reprinted through the generosity of a friend of the National Municipal League and reprints are available free upon request at the secretary's office.

⁂

Does Anyone Listen to Radio Talks?—Murray Seasongood, president, gave a fifteen-minute address over station WLW in Cincinnati on January 3. Two weeks later he received a letter written from Barahona, Dominican Republic, West Indies, asking for a copy of the address which was to be translated into Spanish and published for general distribution in that country. Mr. Seasongood also spoke from New York over station WOR on Friday, February 19.

⁂

You and Your Government.—Under this general title a series of radio addresses, as announced on this page in February, are now being broadcast every Tuesday evening from 8:00 to 8:30 P. M., eastern time. The series has been arranged by Thomas H. Reed in his capacity as chairman of the Committee on Policy of the American Political Science Association. The present series, the first in a four-year program, began on April 5 and will close July 5. Among the prominent members of the National Municipal League who will take part as speakers are Thomas H. Reed, William Bennett Munro, Charles E. Merriam, Charles A. Beard and Arthur N. Holcombe.

RUSSELL FORBES, *Secretary.*

Editorial Comment

May

NATIONAL MUNICIPAL REVIEW

Vol. XXI, No. 5 Total No. 191

Asserting that New York City will have to pay an annual subsidy of almost $25,000,000 to maintain the five-cent fare on its subway lines when new extensions almost ready for operation are put into use, Professor Lindsay Rogers in a memorandum to Mayor Walker's Committee on Taxation suggests consideration of a 40 per cent tax on fares. This two-cent tax, he estimates, would bring about $40,000,000 a year into the coffers of the city. He points out that the dual contracts fixing the five-cent fare have been sustained by the courts and to try to raise it to seven would create many serious complications and postpone desirable unification of the properties. Such a tax would be in the nature of a sales tax and would require authorization by the state legislature.

*

In the death of Henry M. Leland, March 26, 1932, one of America's original inventors and manufacturers of automobiles, Detroit has noted also the passing of a heroic leader in municipal affairs. In 1912 Mr. Leland organized the Detroit Citizens League and for a decade was its president. The outstanding achievement of the League was the fight of Mr. Leland against crooked elections, and the establishment of Detroit's present clean, efficient election system. Other items in the record were the modern Detroit charter, effective in 1919, and a unified municipal court. Mr. Leland directed particularly the successful Cadillac Motor Car Company, for many years, later organizing the Lincoln Company. He marshalled Detroit's industrial leaders for the cause of good city government. He had just passed his 89th birthday.

*

Retrenchment in Detroit

Detroit, the Dynamic, reports C. E. Rightor, will probably spend for operation of all departments, including schools, but excluding self-supporting utilities, for the current year ending June 30, $14,500,000 less than originally authorized in the budget of $69,500,000, a reduction of nearly 22 per cent. How many cities can equal or surpass such a record of retrenchment? This is exclusive of unemployment relief, for which the city is spending $7,000,000 this year as against about $13,500,000 last year. It is also exclusive of debt service.

Comparison of these figures with the actual expenditures for the previous year, including expenditures for welfare in both years but again exclusive of debt service, reveals that Detroit is operating on a basis of approximately

$24,000,000 less than the previous year.

A quarterly allotment system is partially responsible for this showing, which is retrenchment with a vengeance.

⁂

A Manager for New York City

One of the concrete results of the Seabury investigation into New York City's government has been a definite movement to secure a city manager-proportional representation charter for the nation's largest municipality. In public utterances Judge Seabury has indicated a sympathetic interest. Recent addresses by Mayor Wilson and ex-Mayor Seasongood of Cincinnati have helped along local understanding of what New York newspapers call the "Cincinnati plan."

However, some sincere advocates of manager government for type cities doubt its suitability to very big cities where political organizations are strongly entrenched and where the need for personalities in politics seems greatest. To this school belongs Joseph D. McGoldrick who, in an article in this issue, argues against the manager system for New York until it has had more opportunity to demonstrate its permanent effectiveness elsewhere. He disagrees with those who hold that the present charter, ponderous as a telephone book though it be, requires drastic reorganization. He wants his readers to understand that he heartily approves the manager plan for smaller cities; it is only in the case of New York that he counsels delay.

Dr. Schieffelin, who as president of the Citizens' Union has been fighting for many years the worst evils of Tammany control and is now serving as chairman of the New York Committee of One Thousand, replies with an unqualified "Yes, manager government is suitable for New York." Assuming that in a council elected by proportional representation Tammany would still have a majority, there would, nevertheless, be found a minority which by its mere presence would prevent the grosser extravagances of today. The election of the mayor and other administrative officers is not necessary to popular interest if by interest is meant discussion of real issues at election time, as an alternative to the primitive combat known as a mayoralty election.

But Dr. Schieffelin by no means concedes that Tammany will control a P. R. council. Two groups, those who now vote and believe in the merit system, and those who believe in it but through a sense of futility are not now voting, are more than enough to overthrow Tammany, he believes.

We know of no literature in which the issues for and against manager government for a city like New York are more clearly drawn than in these two articles.

⁂

An Electricity Sales Tax

Congress in its search for new revenue has not overlooked the possibility of a sales tax on electric energy. At this writing it is too early to know what the final decision at Washington will be; but advocates of this new form of taxation are sufficiently numerous and influential to compel serious attention to the desirability of such a tax.

The usual arguments for and against general sales taxes or special sales taxes are well known to readers of the REVIEW. The proposal for a special tax on electricity, however, is novel and in weighing the case for it emanating from Washington careful consideration must be paid to the other side.

We are in receipt of a letter from Professor Thorndike Saville of the School of Engineering of the University of North Carolina which succinctly sets forth the negative side of the question. With his permission we quote from it as follows:

> I feel that such a tax would be unwise from two major considerations. The first is, that I believe that taxation of electric energy in any form should be left to the states, as a source of revenue restricted to them. In the second place, I cannot see any way by which a federal tax, which must necessarily be general in nature, can be at all equitably administered.
>
> It will unquestionably prove harmful to industry if carried to its logical conclusion. It is my feeling that the only proper tax is one which is based on net income. Such a tax can be equitable. Unfortunately to make such a tax equitable requires a vigorous state regulatory body fully equipped with technical personnel, and willing and able to dig into the financial and structural background of electric generating companies to determine on a sound basis just what the true valuation of the property devoted to the public service may be, the proper operating expenses, and from that the proper net revenue subject to taxation. In very many of our states we do not have regulatory bodies, either equipped with technical personnel adequate to undertake this work, or possessed of a public consciousness which stimulates them to undertake it.
>
> It seems to me inevitable that any federal tax of a general nature on electric energy is bound to be discriminatory as between different parts of the country. One of the things which has been most helpful in the industrial development of the South and certain other areas has been the so-called diversification of industry. We have scattered all over the state of North Carolina and many other southern states small industries located in little towns remote from the larger centers. I believe that sociologists are united in considering this a most desirable kind of development. It has been brought about largely by the availability of electric energy at reasonable prices transmitted over high-power transmission lines. If a general tax were imposed upon electric energy, it seems to me inevitable that in many cases industries would find it more economical to generate their own power. To do this to best advantage, they would probably have to be located fairly near large centers where rail transportation was available. This would bring about a cessation in the diversification of industry which I believe would be disadvantageous.

Our readers will agree that the electricity sales tax, which may sound simple and desirable to the uninitiated, on closer investigation presents extremely serious difficulties.

* * *

Political Veto of New York Civil Service Bill

Displaying a regretful weakness for trimming, which seems to be characteristic of late where Tammany is involved, Governor Roosevelt recently vetoed the Hewitt civil service reclassification bill because of the "extraordinary and autocratic power" which he asserted was conferred upon the proposed director of classification. The bill had the backing of numerous civic organizations including the Civil Service Reform Association, the City Club of New York, and the Citizens' Union. It was also supported by the state civil service commission, the State Civil Service Employees' Association, and leading civil service reformers headed by Colonel William Gorham Rice and Dr. Frank P. Graves, state commissioner of education.

In his veto memorandum, after protesting his life-long interest in civil service and approving the general purpose of the measure, Governor Roosevelt objected that it vested improper powers in an individual appointed in a most extraordinary manner, czar-like powers which would supersede the civil service commission, the governor, the director of the budget and the heads of departments.

The simple fact is that the proposed law, designed to bring about an effective classification in the civil service and to keep such classification current, was viewed by the Democratic organization as dangerous to their friends in the classified service. While decent reclassification usually means a leveling down of some salaries and an increase of duties in some positions, it is noteworthy in this case that the bill was supported by the organized civil servants of the state. The measure did not extend to municipal service but might have eventually been applied to the county service of New York over which Tammany exercises a particularly watchful care. At the executive hearing the bill was grossly misrepresented and these misrepresentations the governor accepted in his veto message.

In substance the bill created a new office of director of classification to be filled by competitive examination. It was made the duty of the director to prepare a classification plan for the approval of the civil service commission. Once the plan was adopted, the allocations of positions to classes were to be made by the appointive officers subject to approval by the director of classification. If the appointive officer failed to act after due notice, the director of classification was authorized to make the allocation himself. Changes in classification or allocations from time to time were authorized in accordance with the original procedure.

After consultation with the appointive officer the director of classification was empowered to recommend to the civil service commission a compensation plan which, upon approval or modification by the commission, was to be transmitted to the governor and the legislature for their consideration in the enactment of a compensation code for the classified service. The director of classification was also made the instrumentality of the civil service commission in the establishment and maintenance of service standards and ratings.

How this new officer could properly be termed a czar passes the editor's understanding. His function was to be primarily the function of recommendation. In respect to finance, the compensation plan, even after approval by the commission, was merely for the consideration of the governor, the legislature, the budget officer, and other executive heads concerned.

By and large, the Hewitt bill reflects the trend in personnel administration embodied in the section on personnel of the League's *Model Charter* now in process of revision. The governor's veto would have been more respected had he frankly admitted the reasons for it rather than seeking shelter behind a confused network of pious exhortation and careless, if not willful, misrepresentation.

*

The Missouri Supreme Court has decided that the initiated ordinance on the question of municipal acquisition of the Kansas City street railway system need not be submitted to the voters. The city contended that the ordinance was unconstitutional and that, therefore, it should not be compelled to call the election. At this writing the written opinion of the court is not before us, the court having merely announced orally that the writ of mandamus ordering the election was denied.

HEADLINES

DETROIT probably holds the record for budget cuts. The city is now operating on a basis of approximately $24,000,000 a year less than in 1931. Even so, however, it has been unable to balance its budget, and employees are faced with the possibility of receiving only two months' pay for three months' work, April, May and June.

* * *

According to our esteemed contemporary, *Public Management,* Governor Lowden "sighted" Cook County with its 392 independent local governments as an example of "too many governments." Chicago's machine guns must have been on a vacation if he sighted Cook County before he heard it!

* * *

"Ballot-Whoo" is the challenging title of a campaign document put out by the Michigan McKeighan-for-Governor Club without apologizing to Oscar Zilch.

* * *

The vigorous retrenchment program applied principally to Republicans by Mayor Ray T. Miller of Cleveland reached finally to six mothers employed as charwomen in the city hall, who were promptly replaced by "deserving Democrats" and who will have to be supported henceforth by the city welfare department. The mayor might have been more careful—if he wasn't touched by human considerations, he might at least have found out that two of the six mothers voted for him and one, who was not entitled to vote, worked for his election!

* * *

That the new administration in Cleveland is operating on the old theory of "to the victor belong the spoils" is substantiated by charges from the executive committee of the Citizens' League of Cleveland that there is flagrant disregard of the merit system in the new government.

* * *

A new charter for Nassau County, New York, a suburban county on Long Island near New York City, has been drafted which incorporates some of the simplification of government ideas involved in the city manager plan. The charter has compromised sufficiently with practice to receive the endorsement of the county Democratic organization.

* * *

Add to cities with a surplus—Kenosha, Wisconsin. Auditors for the Wisconsin tax commission have verified a cash balance of $77,800 reported by the city manager at the end of 1931, and this despite the fact that its expenditures for welfare were multiplied by four over the previous year.

* * *

A "tax disarmament conference," held at the Iowa State House in March, drew representatives from almost every county in the state. The Iowa plan is to have the work of the state legislative committee on reduction in public expenditures backed up by local taxpayers' associations.

* * *

Tammany Hall was openly pleased by Governor Roosevelt's veto of the Hewitt civil service reclassification bill. The governor said it would confer "extraordinary and autocratic power" upon a proposed director of the reclassification. More to the point was Tammany's objection that the bill would raise the educational standards for public employees. That, indeed, would be a tragedy!

* * *

Because she had become an issue in a political campaign, Miss Vivian I. Milner, only woman city manager, has resigned her position in Kinsley, Kansas, on the ground that for her to take part in politics would violate the ethics of the profession. Reformers—hail the millennium!

* * *

The city manager of Cincinnati who at the salary of $25,000 a year is the highest paid municipal official in the country with the sole exception of the mayor of New York City, costs each citizen of Cincinnati just nine cents a year. Is he worth it? Ask them!

* * *

Frankness in a candidate is a commendable and too infrequent a virtue. A Louisiana assessor, desiring to be reëlected, announced proudly that he had reduced taxable values all the Louisiana tax commission would permit, pointing out that the tax commission fixes the values. His election advertisement declared that through his "*influence* the assessment of land in agriculture was reduced $5.00 per acre and pasture land $2.50 per acre in 1931."

* * *

City-county consolidation is much easier to accomplish than consolidation of several counties where different county seats are involved and there are a number of successful examples that can be cited. Consequently, it is not improbable that consolidation of Birmingham, Alabama, with Jefferson County, which is being vigorously advocated by press and public officials of that city, will actually be realized.

Howard P. Jones.

REMOVAL NOTICE

The National Municipal League and the National Municipal Review have moved their offices to 309 East 34th Street, New York. Please note.

Is the City Manager Plan Suitable for New York?

NOT until its advantages for big cities have been more clearly demonstrated, says Dr. McGoldrick

BY JOSEPH D. McGOLDRICK *Columbia University*

NEW YORK CITY has had the same charter for over thirty years. The document is as ponderous as our telephone book. It has been abundantly amended by the state legislature in each of the thirty years which have elapsed since its original passage; and in the last seven years many local amendments have been added to it under the city's home rule power. Certainly the city's fundamental law could well be simplified and clarified. There are many, however, who think that more drastic reorganization is called for. For some years back civic organizations have been interested in the city manager plan, and have been urging this as a panacea for New York's plentiful ills. The recent promise of Judge Seabury in presenting his preliminary report to the legislature, that he would presently enter the constructive phase of his inquiry, has again focused attention upon the manager plan. A loud chorus is now supporting this demand.

The American people have long sought to conquer the forces which have made their city government notorious for corruption and mis-management by changing the mechanisms through which urban democracy expresses itself. Perhaps it is another expression of our mechanical genius, but we seem to have limitless fancy for, and faith in, governmental mechanisms of all sorts.

OVER-EMPHASIS ON THE MANAGER

The city manager plan is essentially quite simple. It consists on the one hand of a council, and on the other of a manager appointed by it and at all times responsible to it. The function of the council is to formulate policy; that of the manager to carry it out. The manager appoints all department heads and in him is concentrated all responsibility for administration. He prepares the budget for submission to the council; the council scrutinizes the budget, amends and adopts it. The people elect the council; the council selects the manager. The manager is responsible to the council; the council is responsible to the people.

It is obvious, therefore, that it is a great mistake to lay too much emphasis upon the function of the manager, or to expect too much of him. Fully as important is the character and composition of the council. This is too often overlooked by those who speak of the city manager plan as offering the ideas of scientific, businesslike administration. The manager plan will not work well—indeed, cannot work well—unless the city is assured of an excellent city council.

The first thing that the proponents of the manager plan for New York City should do, therefore, is not to dream of the efficiency which a trained manager could inject into the conduct of New York City's business, but to think of how a council could be chosen that will provide the type of manager who would bring this vision to realization.

New York City at present has two councils—the board of estimate, in which most real power lodges, and the board of aldermen, which time has reduced to useless senility. The board of aldermen has few functions that are of any practical importance, and these few it mockingly neglects. One may ask, therefore, of those who advocate the manager plan, whether they would propose to build their city council out of the existing highly developed board of estimate, or whether they would seek to breathe new life into the mordant aldermanic body.

The board of estimate is, as city councils go, a highly effective institution. It consists of eight members. Three of these, the mayor, comptroller and president of the board of aldermen, are elected by the city at large, and they have three votes each. The other five members are the presidents of the city's five boroughs, of whom the presidents of the boroughs of Brooklyn and Manhattan have two votes and those of the other boroughs one vote each, making a total of sixteen. The board has a huge staff of engineers, accountants and examiners, costing $500,000 annually. For it to operate in conjunction with a city manager, however, would require considerable reorganization of its present functioning. It is not as representative a body as might be desired. Its existence is deeply rooted in our peculiar borough system. It may well be, however, that the difficulties presented in adjusting the manager plan to New York City's existing arrangements would not prove insuperable.

WOULD PERSONNEL BE IMPROVED?

Let us suppose, therefore, that the manager plan were to be adopted either in the simple form in which it has been successfully developed elsewhere, or in some custom-made version cut to fit New York's peculiar measure.[1] The really fundamental question would remain as to whether the mere adoption of the plan carries with it a guarantee of good government under it. Would there be any assurance that the city council would not consist, at least as to its majority, of the very type of men, even, indeed, the very same men, who now dominate our councils? Would not the very same political organizations which now select candidates and regiment voters to their support, continue to do this under the new plan? What promise have we that they would suddenly abandon the pleasant and profitable business in which they are now engaged?

It is urged that a nonpartisan ballot or some scheme of proportional representation would demobilize the political party. These organizations are now solidly entrenched. They go to the polls with a vast army of well trained and well disciplined mercenaries. Against these solid phalanxes any amateur effort would seem quite hopeless. Increasing the importance of the city council might interest a superior type of man in that post, but he would still be confronted with a compact and experienced organization that he would have the greatest difficulty in defeating. A few unusual persons might push through and rout the organizations in particular districts or for particular quotas, but there would be every likelihood that a majority of the new city council would be members of the existing dominant machine.

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[1] See "The City Manager Plan for New York City" by Richard S. Childs (pamphlet, City Club of New York, 1932).

If it be true, then, that essentially the same organizations are to control the city council, and that essentially the same type of men will be seated in it, would there not be every reason to suppose that these organizations and their city council would select its manager on the very same principles that now influence them in the selection of the functionaries who now run our city?

The answers to these questions seem obvious enough. There would remain then only the question whether the existing personnel in political and public office would be likely to give better government under a city manager plan than under existing arrangements. In certain respects one must answer affirmatively. In so far as the creation of the manager plan introduced a simpler administrative structure, concentrating all activities under a dozen or more department heads, all of them responsible to the city manager, there would be an improvement in the conduct of city business.

VOTERS' CONTACT WITH ADMINISTRATION DESTROYED

Concerning the more fundamental implications of the query, however, one can be less certain. The city manager plan fundamentally removes the voting public from direct contact with administration. The voters would no longer participate in the election of a mayor, comptroller, and president of the board of aldermen. Their activities would be confined to voting for candidates for the city council. It is hard to imagine that a city council of less than twenty-five members would be proposed. One may ask, then, whether the election of members in such a body as this would arouse as much popular interest as the election of the mayor and his colleagues now does. It is not enough to offer in answer the experience of Cincinnati, Cleveland, Rochester and other places, for the simple reason that none of them have had sufficiently long experience with it to demonstrate that the manager plan will stand the test of time. Almost any governmental mechanism will work well when it is new. This seems to be due to the fact that its very adoption has required a considerable arousal of public sentiment, and this sentiment retains its interest in the new institution and watches over it until novelty wears off. The experience of Kansas City, and the more recent history of Cleveland and Rochester, suggest that the manager plan is by no means foolproof. The first two or three councils elected under the new plan in the latter two cities were of a high order, but this cannot be said of the councils chosen in both of them last November.

The manager plan has the great virtue of simplicity. It is easy to locate responsibility in it. It has the further merit of logic. It removes the choice of the administrator from the hurly-burly of election, with a view to seeking an efficient and trained professional for the place. It seeks to rejuvenate our senile city councils by re-emphasizing their important task of formulating public policy.

IS CIVIC LEADERSHIP PROVIDED?

In small cities it is working well. In some of them it has worked well over a fairly long period of years. In Cincinnati it is working uncommonly well. One may question, however, whether a city of the size of New York does not require more civic leadership than the manager plan offers. If the selection of a city council, possibly with the introduction of proportional representation, would accomplish this, substantial progress could be expected. Proportional representation, however, would seem calculated to insure only the adequate representation of minority groups. It secures the election of representative men—not necessarily good men. Our present system, of course, secures neither.

The present board of aldermen, with sixty-four Democrats and one Republican, is clearly out of balance. Proportional representation would seem to promise a Republican minority of twenty or more, with perhaps one Socialist. The notion that New York City's charter needs drastic reorganization is much exaggerated. There are one or two major operations that are called for, and quite a number of minor ones. Some of the things that most need doing would, however, occasion bitter controversy. The gains from them would produce very little economy so long as present political groups are in control. If illustration of this point were needed one has only to turn to the department of sanitation, created three years ago. The units that went into this department were costing $30,635,062 at the time of its creation; today they are costing $38-316,322. But while the total cost of the departments was increasing 27 per cent, the cost of administration rose from $1,993,649 to $3,051,260, or 58 per cent.

In short, the manager plan, while it contains some lessons from which New York may profit, offers no permanent solution to our ills. It may well be that the plan would have to be patterned more directly upon the Parliamentary scheme of government, as developed in Europe. A less radical scheme might be to consolidate such offices as that of budget director, commissioner of accounts, commissioner of city planning and assistant to the mayor, into a reorganized executive department. The assistant to the mayor, as the head of this department, might well be developed into a city manager with general supervision, under the mayor, of all of the city departments. But to attempt completely to recast our city government until the manager plan has had more opportunity to demonstrate its permanent effectiveness, would be folly indeed.

The City Manager Plan Is Suitable For New York

Even if Tammany controls the council, a city manager-proportional representation charter will prevent the gross extravagances of today, is Dr. Schieffelin's reply to Dr. McGoldrick

BY WM. JAY SCHIEFFELIN *New York Committee of One Thousand*

There is now in New York City a régime which may be described as government by favor. Policy determiners and administrators elected by Tammany and those appointed by these elected persons have one query always in mind: In what way can the situation in hand be used to advance the personal fortunes of those who belong to the organization, or of those whose allegiance may be bought? The interest of the organization is the primary object, and the performance of governmental services merely a means to that end. Indeed such services may be scamped, corrupted, or run extravagantly as long as the personal fortunes of the followers of Tammany are forwarded and the political future of the organization not jeopardized too much.

Such a régime is costly; there can be favors for some only by handicapping others. Many people can be made to pay a great deal for such a type of government providing they get a small favor themselves every so often. Now, however, the public is awakening, and the difficult art of seeing farther than the end of one's nose is being learned even by New Yorkers. Hence the number grows of those who would prefer the merit system to the favor system. The more thoughtful of these believe that the election of administrators almost inevitably invites patronage and the favor system and, seeing that the manager plan as a whole results in lower governmental costs for service, are advocating it for New York City.

P. R. WILL PROVIDE THE COUNCIL

Whereupon Dr. McGoldrick asks many questions of such advocates and offers a word or two of advice. "The first thing," he tells us, "is to think how a council could be chosen that would provide the type of manager who would bring this vision to realization." The answer is, the council should be elected by the Hare system of proportional representation, the boroughs should constitute election districts and elections should be by a fixed quota of possibly fifty or sixty thousand voters. It is proposed that all legislative power now vested in the board of aldermen and the board of estimate be vested in such a council. All administrative duties now performed by the board of estimate either as a body or as individuals would be assigned to a city manager. The boroughs would continue as administrative units in charge of borough managers appointed by the city manager, though possibly having seats without votes in the council.

The first question Dr. McGoldrick asks is "whether the mere adoption of the plan carries with it a guarantee of good government under it?" The answer is, emphatically, no. To have the merit principle operating throughout the city government, it will be necessary that a majority of those voting for councilmen shall express their preferences for candidates who are not only pledged to the merit principle but whose public record demonstrates that their pledges are reliable. Is it reasonable to believe there is such a majority in New York City as there is in Cincinnati but possibly not in Cleveland? There is good reason to do so, first because probably one out of three of those who now vote evidently believe in the merit principle; and second, because many of those who usually abstain from voting do so for the reason that they object to the favor system, but since the opposition to Tammany is largely composed of favor seekers, they have found it useless to vote. Once they grasp the effectiveness of every ballot under the Hare plan, they will reappear at the ballot box. The two groups, those who now vote and believe in the merit system and those who believe in it but are not now voting, are more than enough to overthrow Tammany.

BETTER GOVERNMENT EVEN UNDER TAMMANY CONTROL

But suppose at first a majority of the voters give their preferences to candidates who support the favor system, then the city manager plan will give better government than is now had but not so good as it might be. The minority members whose presence in the council the Hare plan assures will serve as a constant spur and whip to the majority. In other words, Cleveland's experience, where the minority members dragged the land scandals to light, resulting in prison sentences for some of their fellow councilmen of the majority, would become a possibility in New York City.

It is to be expected that the "political organizations which now select candidates and regiment voters" would continue to do so, as Dr. McGoldrick points out. But they would not select all the candidates, and because they cannot now regiment all the voters, they would not then. Hence they could not elect all the councilmen. We offer no promise that the present rulers will "suddenly abandon the pleasant and profitable business in which they are now engaged," but if only those who now vote in opposition continue to do so, the share of the councilmen which P. R. will give them will cut the tiger's claws quite close to the quick.

Dr. McGoldrick closes this series of questions by a sentence which implies that the only answer that can be made to them is that a city manager-P. R. council scheme for New York must necessarily have "the same type of men" seated in the council that are now in the board of aldermen. The P. R. election would remove many of the present type and substitute others so radically different in outlook, philosophy, and capacity as even to make blasé New York sit up. The low councilmanic salary in Cleveland which prevented many first-class, independent candidates from appearing is offset by the New York alderman's salary of $6,000 a year.

THE QUESTION OF POPULAR INTEREST

Dr. McGoldrick then turns to the question of public interest: Will "the election of members in such a body as this arouse as much popular interest as the election of the mayor and his colleagues now does." That calls for a definition of the word "interest." If the function of an election is to provide a safety valve for the alleged primitive instinct of combativeness, and if it is a spiritual necessity to feel elation at not only having had one's favorite win but at having one's opponent lose, then interest will not be so high as now, for as has been said, a P. R. election is "the substitution of the ethics of the conference for the ethics of the conflict." But if by interest is meant discussion of real issues at election time and a continuing interest in the debates which take place between one's favorite and the best representative one's political opponents can elect, then interest will increase and not decrease.

New Yorkers are basically the same as human beings elsewhere. Hence it should be found that they will have as much interest when they elect only members of the city council as have Londoners, Berliners, Parisians, or Dubliners. They too inhabit huge cities, they too hold themselves down to electing only members of the policy-determining body, and who shall say that their interest is less than New Yorkers in the government of their respective cities?

Dr. McGoldrick closes by lamenting that the manager plan, "offers no permanent solution to our present ills." Only those who have the secret for discovering potential benevolent autocrats can offer that. The P. R. council-city manager plan is suggested for New York because it does ensure that whenever a majority of the voters want the merit system the "controlled executive" must install it or lose his position to one who will; that even if a majority does not want the merit principle, the proportionally elected council will give the minority official voices which they will continually use. By their mere presence they will prevent the grosser extravagances of today from ever being proposed, let alone carried out.

The Philadelphia Tri-State Plan

AFTER four years of work the Philadelphia Tri-State Plan has been presented to the public of the region

BY SAMUEL P. WETHERILL, JR.[1] *Philadelphia*

THE value of wise planning is so obvious to the initiated that generalizations on this aspect would be superfluous. Yet the harsh fact still faces us that many a fine plan does not work —sometimes because of inherent deficiencies which impede its adoption or execution, more often because of factors of human psychology, which, if they do not create hostility in advance, at least make the practical use of the plan uphill work.

Theoretical merit in any plan has a kind of educational and technical value, just as in any great work of art from the hand of a master craftsman. It may inspire, it may suggest, it may reflect distinction on its makers, and set high standards of perfection.

But the people who appropriate our public funds and are responsible for progress planned or unplanned are rarely artists, are generally indifferent to merely theoretical considerations, and are properly most sensitive to the considerations of the immediate and ultimate interests of their constituencies.

STRATEGY OF THE TRI-STATE FEDERATION

For several years before the Regional Planning Federation of the Philadelphia Tri-State District was undertaken, it was recognized that the problem was not alone one of preparing a good plan and that its whole solution would involve three phases:

1. The phase of testing out sentiment as to whether or not a plan was wanted, not to be laid away among dead historical documents, but to be fought over and changed and used. Innumerable illustrated talks were given throughout the region, with emphasis on the outlying areas, to reassure those who dreaded excessive domination by the central cities. Conviction was carried that local autonomy was not menaced, that local self-interest was definitely identified with regional interests, and that wise local planning should be skillfully woven into the over-all regional pattern.

Local citizens' associations, trade associations, banks, utilities and business houses passed resolutions of endorsement, appointed coöperating committees and delegates, and proved the sincerity of their affirmative answer to our question by doing yeoman's service in raising the funds with which to carry on the work.

2. With $600,000 of real money in hand, the next phase was the making of the plan. Here again, our contacts with the various localities were or-

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[1] Colonel Wetherill is president of the Regional Planning Federation of the Philadelphia Tri-State District.

ganized so as to insure full local and functional representation in our technical and administrative structure. The people who said they wanted a plan were called upon to help make it as useful to their own localities and interests as it could be, consistently with the interests of their neighbors.

This second phase of the problem, begun July 1, 1928, was brought to a close on the evening of March 16, 1932, when the plan was presented to the representatives of the nearly four hundred political jurisdictions within the forty-five hundred square mile area covered by the plan.

3. The last and continuing phase now confronting the Federation is in fact already well under way—the phase of informing the voters at large, with a view to early and widespread conformity with high community standards, and the adoption and execution progressively of those elements in the fifty-year program for which conditions are ripe.

COUNTY PLANNING ASSOCIATIONS BEING DEVELOPED

Our board of directors has carefully weighed the advantages and disadvantages of developing studies and coöperating organizations along county lines, and has decided that the advantages outweigh the disadvantages. From now on our field organization will be busy in building up county planning associations to support the plan and enlist the support of the voters. The presidents of these county associations will be the vice-presidents of the Regional Planning Federation, and will thus insure local working accord with the over-all plan.

Many county planning agencies, official and unofficial, are functioning in the area, and much planned progress has been made to date.

The general work of the staff has been coördinated by a large technical advisory committee and a comprehensive plans committee, under whom maps have been prepared which indicate present and prospective development with reference to population trends and land uses.

The subjects on which studies have been made, under thoroughly representative functional and local committees, include population, highways, port and rail, aviation, parks and public reservations, sanitation and water. Separate discussions and proposals covering these subjects are being released to the press weekly, after which the five hundred page volume of reports, maps and illustrations will be published for official use and will be on sale to the public.

President Hoover, master advocate of engineered community progress, has given encouraging recognition of the work thus far accomplished and of its importance for the future in congratulating us "*upon bringing to this point a coöperative labor of such outstanding and permanent usefulness.*"

Perhaps the outstanding contribution of this plan is the emphasis it has laid on the coöperative as against the bureaucratic method of its inception, support and preparation.

I believe it marks a beginning in the direction of democratic effectiveness which will enhance the administrative reputation of American municipalities, and justify increased public confidence in them.

The Building of New York

THE Regional Plan's concluding recommendations for the guidance of New York City's growth

BY ARTHUR C. COMEY *Harvard School of City Planning*

IT MAY not have been realized by all of those who perused Volume I of the Regional Plan of New York and its Environs [1] how much more remained to be done to put flesh and clothes on the skeletal basis of the picture of the great region of the future. In the two and one-half years and more that have elapsed since the Plan was first presented to the public much of this material has been expanded by the collaborating architects and others and re-analyzed by the director of the Plan, Thomas Adams, the author of the final, profusely illustrated, six hundred-page volume.[2]

Without refuting the findings and proposals of the graphic plan, the emphasis is now turned in the direction of city construction, civic art, individuality of communities, the guidance of building through land planning, zoning and housing policy, the improvement of central New York terminals, the increasing of the capacity of the street system by double decking and other means, and the rebuilding of a multitude of specific areas both downtown and in the suburbs along lines of great architectural magnificence.

In the words of Frederic A. Delano, chairman of the Committee on Regional Plan of New York and Its Environs since the untimely death of its first leader, Charles Dyer Norton, "This task has involved the initiation of many ideas and projects in addition to the supervision and coördination of proposals and designs of collaborators; the development of a new philosophic conception of city planning under modern conditions in a democratic country; and the study of every fact and line of text in the reports leading up to the whole ten volumes of the Survey and Plan. In this volume Mr. Adams presents a conception of the spirit that enters into the making of cities, an outline of the principles and standards that must be followed in guiding the building of cities in the New York region."

STANDARDS OF CITY GROWTH

To quote Mr. Adams, "The fundamental problem in planning a city in a democratic country is to advance the intelligence and arouse the spirit of its citizens so that they will guide its development in those directions that will afford social satisfaction. The chief responsibility for guidance of development must come from those who have or assume power to lead—whether through political position or special knowledge." The present volume seeks to establish and disseminate, from the point of view of civic art, criteria for New York as related to street planning, architecture, work and living conditions, the relation of beauty and reality in civic art, and finally the "spirit of New York."

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[1] Reviewed in NATIONAL MUNICIPAL REVIEW, July, 1929, p. 435.

[2] *The Building of the City.* By Thomas Adams. Vol. II, Regional Plan of New York and Its Environs. New York, 1931. 600 pp. with nearly 300 illustrations and 90 maps and diagrams.

The report then proposes guiding principles and standards for regulating buildings and land for building to secure health and social welfare. We are sorry to note that, while 80 per cent is set down as a reasonable maximum coverage of lots in the central business district, 60 per cent coverage is proposed to be permitted in suburban residential districts, this in spite of the fact that recent demonstrations have proven that 50 per cent coverage is quite apt to give excellent financial returns even for apartment houses in the city. To be sure, under zoning proposals 50 or even 40 per cent is proposed for the maximum coverage in open suburban areas, but here again prevailing practice and standards elsewhere result in only 35 or even 25 per cent coverage for the ordinary single-family dwellings. On the other hand, current zoning in New York is proposed to be much stiffened, especially as related to skyscrapers, and detailed standards are set forth for this and for extending zoning on a uniform basis over all suburban areas throughout the region.

Under housing proposals it is recommended, among other things, that cities acquire land, improve it with streets, parks and utilities, and sell or lease the balance under appropriate restrictions for the private erection of houses, thus assuring, better than can be done by any other method, the quality and type of the new residential neighborhoods. In respect to new communities, the Hackensack meadows are again recommended for "a great industrial city, in which the application of the latest knowledge of city building would be unhampered by any development already in existence." Locations for other new communities are not specified, but principles are enunciated governing their design, permitting, however, a wide latitude of treatment.

THE SKYSCRAPER

The skyscraper is not condemned, provided a reasonable amount of open space about it can be secured. The report carries illustrations of many great schemes, culminating in a civic center building, alongside of which the present Municipal Building is but a dwarf, rising scarcely above the broad base upon which the great tower building is to rise one thousand feet or more. A rather fatalistic attitude is taken towards congestion in this neighborhood, the plea being that this gigantic structure would merely take the place of other private buildings that might use up the transit and street facilities to the maximum that it is possible to provide, zoning being unable to prevent such concentration.

To the city planner, among the most interesting aspects of the plan are those concerned with such matters as the distribution of population through decentralization and "recentralization." Mr. Adams states that "There is a group of social philosophers whose gospel is 'decentralization,' no matter how unplanned and haphazard it may be. To them, the most pressing urban problems would be solved if the economic forces that draw industries and people into huge cities and disperse population into small urban and rural units could be broken down. . . . But the exponents of this theory do not stop to think that unplanned and uncontrolled dispersal is as bad as unplanned centralization. It is the quality of a particular development that matters. . . . Next to the problem of congestion in the centers of the large cities the most defective condition is the too wide dispersal of houses on premature subdivisions in semi-rural areas. An intelligent compactness of development is required to enable the improvements needed for healthful and convenient living conditions to be provided or to prevent enormous waste of money in extending improvements over areas of widely scattered houses." With properly planned areas for extension and for new self-contained communities "dispersal will proceed by forces of attraction. It is futile to talk of compulsion. . . . Conditions will continue as they are except to the extent and degree that they are changed by conscious effort."

WILL TRANSPORTATION LESSEN CONGESTION?

It is not held to be certain that the motor vehicle and electric power will lessen centralization. "Coal, oil and water power will continue to be the three fundamentals for developing both production and distribution through manufacture and transportation." New York's transportation facilities are so exceptional that "it can obtain all the energy it needs from coal and oil at the minimum of cost. . . . These things will mean the continued growth and development of city-regions, and the continued depletion of the countryside. The query, 'Why not live in the city?' will have a stronger appeal than ever."

There are, therefore, still great potentialities of growth in the New York region. The motor vehicle will assist wider distribution of industry and population within the region only as it enables them to spread circumferentially instead of in radial corridors as in the past along the railroads. (In other great city-regions radial distribution has been deemed the more beneficent of the two alternatives. A. C. C.) "Every transportation facility that makes for convenient access between the periphery of a city and its centers promotes business concentration in the centers as well as residential dispersal in the environs. More means of communication around cities, at some distance from the centers, are needed to spread both industries and population effectively, and an object of the Regional Plan has been to show how this result can be attained. . . .

"The Regional Plan is a beginning and the next step is education. . . . To bring the possibilities to fruition requires the development by education of the philosophic outlook of the citizens. . . . The Regional Plan . . . is an attempt to arrive at a philosophic conception of the future of New York and the surrounding regions."

This volume marks the climax to the work of the Committee. Mr. Delano states that "The duty of carrying on the educational work and promoting the development of the Region in harmony with the Regional Plan has been undertaken by the Regional Plan Association, a permanent body that has been formed for this purpose, under the distinguished leadership of Mr. George McAneny."

Seattle Gayly Elects a Mayor

Dore, a prize showman, wins a bizarre campaign over a more responsible candidate

BY JOSEPH P. HARRIS *University of Washington*

The Seattle municipal election of March 8, with the nonpartisan primary two weeks earlier, stirred the city with its bitterness and its humor, and brought out a record vote, exceeding that cast for president in 1928. Two of the candidates for mayor proposed to advertise the town in order to increase the number of tourists, and one of them, a popular orchestra leader, by his bizarre campaign attracted attention throughout the country.

Ten candidates filed for the race for mayor, which was the main event of the show. The incumbent, Robert H. Harlin, a former labor official, who was appointed by the council to fill out the unexpired term of former Mayor Edwards, was a candidate with the support of organized labor. Frank Edwards, recalled from the office of mayor last summer, ran in order to vindicate himself. John F. Dore, prominent in the recall of Edwards, defeated candidate for prosecuting attorney two years ago, and widely known throughout the city, early in the race became the leading candidate. Other candidates for mayor were: Otto Case, a leader of the council and former candidate for the office; Art Ritchie, former editor of a local newspaper and at present an advertising man; Dr. E. J. Brown, an advertising dentist, former mayor of the city; Vic Meyers, leader of a popular orchestra; and three others who polled negligible votes.

THE RECALL OF MAYOR EDWARDS

Something should be said of the background of the election. Last July the city recalled Mayor Edwards, after a long campaign of charges of fraud, graft and mismanagement of the city departments, made principally by one of the local newspapers. The particular occasion for the recall, however, was the removal of J. D. Ross on the eve of the city election a year ago. Edwards was recalled by a large majority, though the total vote cast was small. The council proceeded to elect Harlin mayor for the unexpired term. Harlin immediately called for the resignations of all heads of departments, and appointed Ross superintendent of the light department. New heads were appointed in the other departments. In the main, the new mayor created a very favorable impression throughout the city, and, though a representative of organized labor, received the support of the conservative elements of the city, including the local conservative newspaper. The charges and rumors of graft and corruption, particularly in the police department, quieted down.

The most baffling problem facing the

city government is the street railway system, purchased fourteen years ago from Stone and Webster Company, at a price of fifteen million dollars, which it is generally agreed, was exorbitant. For more than two years past the city has made no payment upon the principal, having secured a moratorium, though keeping up the interest payments. The declining revenues of the system are such now that a crisis is faced on each date when payment to Stone and Webster falls due, for it becomes necessary to pay the employees with warrants. These warrants in former years were taken up by the banks, but the condition of the railway system is now so precarious that the banks have refused to continue this policy. In the midst of the campaign just finished the city was threatened with a street railway strike, owing to the fact that the employees were being paid in warrants which they could not cash except at a heavy discount. The strike was averted only by the principal merchants and business men coming to the rescue of the system and offering to cash the warrants for the time being.

ORCHESTRA LEADER CALLS FOR HARMONY

The "personality" candidate in the race was Vic Meyers, orchestra leader, with the slogan, among others, of "Harmony in the High Chairs." His candidacy was early taken as a joke, and as an advertising stunt, which, indeed, it was. One of the leading newspapers, deciding to poke fun at the primary election, hatched up his candidacy and gave him front page publicity in a vein of humor day after day.

Meyers' campaign was a burlesque. One of his opponents (John F. Dore, who was elected mayor) promised, if elected, that he would put two men on the street cars in the place of one as at present—this in addition to a platform of economy. Vic responded that Johnny Dore beat him to the plank to put two men on the cars, but he countered with a promise to add a third person—a hostess—to each car as a means of making them more popular. This stunt was good for a great deal of publicity, cartoons, and amusement. He next suggested that cracked ice should be served on the owl cars. Each day saw some new humorous plank in the Meyers' platform such as: That the name of the city and department painted on city automobiles should be taken off so that the employees could enjoy themselves more when they go out riding on Sundays; that the best poker players in the fire department should be delegated to poker duty, with the city financing the game and taking a part of the profits; that the traffic policemen should be dressed up in elaborate uniforms; etc.

Vic had a solution for every problem of the city. There has been a great deal of criticism of the street and sewers department, and here is Vic's solution:

> Of course, the psychology is all wrong to begin with. Undertakers have become morticians, plumbers are sanitary engineers, press agents are public relations counsellors, but street sweepers are still street sweepers. Now I propose, if elected to office, to call street sweepers "valet de rue," which is French for domestics of the street, which sounds elegant.
>
> The Seattle department has not kept pace with the improvements in technique. We still use the one-two-three system, which is, (1) bend down, (2) scoop out and away from the body, and (3) swing to the barrow. For five years the rest of the country has been using the new double spinner, invented by a Princeton quarterback who couldn't make a go of it in the bond game.
>
> And just ask a Seattle sweeper to show you a back hand flip. They'll stare at you in amazement, and yet this stroke was known to the Phoenicians.

Of the traffic problem Vic said: "Some of the people can park somewhere all of the time; all of the people can park somewhere some of the time; but all of the people cannot park everywhere all of the time." From first to last he was a wet candidate, stating that he thought a little saloon could be made to pay. Toward the close of the election he rivaled William Hale Thompson's circus in the last Chicago election when he paraded through the downtown district of the city with an old beer wagon loaded with empty kegs, bearing large slogans: "The Town Needs a Tonic—Watch Her Click with Vic"; "Meyers—the Sax Appeal Candidate"; "Cheer Up, Good Times are Coming," etc. On the beer kegs were seated his orchestra, playing, "Ach, du Lieber, Augustine," "How Dry I am," and other similar tunes. Another publicity stunt which Vic pulled was to appear at a Shrine luncheon dressed as Mahatma Gandhi, accompanied by a goat, carrots, *et al.*

VIC POLLS LESS THAN 5% OF VOTES

Toward the end of the campaign Vic gave an account of his campaigning activities as follows:

> In the last three weeks I've been shaved in every barber shop in town (a schedule which required from two to four shaves a day), and I have had my shoes shined to an unbelievable degree of brilliancy by all the town's better known bootblacks. My wife now divides our laundry sixteen ways so that no laundry will feel slighted and advise its employees that a vote for Meyers is a vote for chaos.
>
> Beginning next Monday, the final week of the campaign, I will kiss babies between ten and twelve o'clock. I will meet older children in the afternoon between two and four o'clock and say to their fathers and mothers: "My, what fine looking children! I can see they take after you."

Mrs. Meyers gave birth to a fine son during the campaign, and Vic was pictured in various poses holding the baby. Laura La Plante arrived for an engagement at one of the local theaters, and was promptly installed as campaign manager, but alas, less than 5,000 voters out of more than 100,000 cast their ballots for Vic.

DORE A MASTER DEMAGOGUE

John F. Dore, a leading criminal attorney, against whom disbarment proceedings had been brought by the bar association, proved to be the sensation of the campaign, aside from the Meyers burlesque. He attacked his two principal opponents, Edwards and Harlin, with vitriolic charges. Of Edwards, former mayor, he said, "There never was a greater thief in the city hall. Why, he would steal everything that was not screwed down." Of Harlin, the present mayor, he intimated in very direct language that he had sold out a labor union and had stolen the funds, and had later gone through bankruptcy. He made a great issue of the fact that Harlin was not a taxpayer, as required by the city charter for the office of mayor. Harlin countered with the statement that he was a taxpayer and produced an opinion from a leading firm of attorneys to that effect. Dore replied, "Look at your tax receipts. If you are a taxpayer you don't need to get an opinion from a lawyer."

Dore's campaign was a masterpiece of popular appeal, and elicited tremendous enthusiasm throughout the city. Monster mass meetings were held in various sections of the city, at which thousands of persons were turned away. As all the rest of the candidates, he stood for tax reductions and lower cost of government. He stated on numerous occasions that the per capita taxes of Seattle were $125 annually, and that the owner of a five-room bungalow was paying $250 annually for taxes, which required the head of the family to work for two months to pay for the privilege of living in his house. The actual per capita cost of city government in Seattle for the current year will be about $27.50, while the cost of county, state, school district and the port district will be about the same amount, perhaps slightly more.

WHERE DORE WOULD SAVE

How did Dore propose to reduce taxes? By reducing salaries of public employees and by reducing city activities? No; by reducing the salaries of employees who were paid more than $250 a month, particularly the heads of the departments. The waste and graft in the city hall were, he asserted, breaking the backs of the taxpayers and causing hundreds of homes to be sold. He proposed to put a stop to it. He did not cite long statistics to prove it, but told of striking cases. The mayor has a fund for secret investigations, totaling $500 a month. This he proposed to abolish. He said that it is supposed to be used for checking up on street car conductors, but not a one had ever been caught even stealing a transfer, much less a token. The former mayor (now a candidate against him) spent $14,000 for "Hollywood" furniture to equip the office of mayor. "Why even the spittoon cost $75," said Mr. Dore, "and is so big that a man would have to be blind to ever miss it. They even have lace curtains on the windows. If I stayed in there long I would be wearing silk underwear. Why, I couldn't work in those surroundings. All I want is a plain table and a chair. They tell me it is harder to get in to see King Bobby (Mayor Harlin) than it is to see King George. Why, you have to have a card and send it in before you can see him. When I go into the mayor's office I will have the door taken off the hinges, so that anyone can come in to see me. I'll be the only 'Dore' around the place."

Dore's showmanship was never better exhibited than when stated that he would offer Stone and Webster one million dollars for the street railway system (the city now owes about $8,000,000 on it), and if they would not accept that figure he would throw it into bankruptcy and buy it back as junk for $25,000. He said that no one else could buy it for they would not have a franchise to operate on the city streets.

Dore won the primary election, polling about twice as many votes as his nearest competitor, Robert Harlin, and won the final election by a vote of 72,448 to 41,212 for his opponent.

The campaigns of the other candidates were quite ordinary. Harlin ran on a safe and sane platform—"A safe pilot in a troubled sea." He had the support of labor and the conservative interests of the city, but was snowed under by the wild enthusiasm for Dore. Edwards ran on a single plank that he would remove J. D. Ross, and was not vindicated. "Doc" Brown, former mayor, withdrew before the primary, sensing that his candidacy was not receiving support. Dore was running away with the group of voters who had supported Dr. Brown when he was formerly elected mayor.

Following the election Dore promised a thorough shake-up of the city hall, and brought suit to oust Mayor Harlin. The term does not expire until early in June, but the charter is not definite upon the point as to whether a person appointed to fill a vacancy shall serve out the term or shall merely serve until the next election. For a week after the election Dore commanded the front page of the local papers by the plans for his administration, particularly his promise to abolish the detective division and return the men assigned to it back to patrol duty.

The Controversy Over Federal Unemployment Relief

ALTHOUGH the senate defeated the LaFollette-Costigan bill, the question of federal aid for unemployment relief is far from settled

BY BENSON Y. LANDIS[1]

New York City

EVER since the serious drought of 1930 there has been discussion in congress and among public groups of federal aid for relief. In the Fall of 1930 the main issue was in regard to a grant by the federal government to the American Red Cross for drought relief. There were leaders in congress, however, who wished that the appropriation proposed for the Red Cross be used also for unemployment relief in the cities. The American Red Cross stated it would not accept the grant on the terms proposed. It did not say that it would accept no grant but simply that the terms of the bill in congress at that time were not acceptable.

Within the last six months, as the relief burden of states, counties and municipalities has been increasing there has been renewed agitation for federal action on unemployment relief. The bill which seems to have drawn most attention was that introduced jointly by Senators Costigan of Colorado and LaFollette of Wisconsin, S. 3045. Hearings were held on the proposals of Senators Costigan and LaFollette between December 28, 1931 and January 9, 1932. At that time there were separate bills, S. 174 and S. 262, later merged by Senators Costigan and LaFollette. A companion bill was also introduced in the house. When this bill came to a vote recently in the senate it was defeated, but federal relief is still a live issue and by the time this article appears in print there may be other proposals before congress.

THE LAFOLLETTE-COSTIGAN BILL

In view of the public discussion of the LaFollette-Costigan bill, its provisions should be briefly reviewed. Its objective was: "To provide for cooperation by the federal government with the several states in relieving hardship and suffering caused by unemployment, and for other purposes." The bill did not provide for "direct relief" although numerous newspaper editorials evidently written by persons who had never seen it have described it as a "dole" or as contemplating direct grants by the federal government to individuals. An appropriation of $375,000,000, to be available for two years, of which $125,000,000 was to be available for the fiscal year ending June 30, 1932, was to be administered by a federal emergency relief board. This board was to consist of two persons appointed by the president of the United States, the chief of the children's bureau, the director of agricultural extension work, and the chief of the federal vocational rehabilitation service. A unique feature of this bill was that only 40 per cent of the total amount was to be allocated to the states in proportion to population. Sixty per cent might be allocated at the discretion of the emergency relief board on the basis of need.

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[1] Mr. Landis is secretary of the Steering Committee of the Social Work Conference on Federal Action.

It was further specified that the legislature or the governor of the state desiring aid must make application for its allocation and designate the state agency which would coöperate with the board. When the state made application for relief it must give an estimate of its relief needs and of available resources within the state; it must make known the provision for administrative personnel who would carry on the relief activities; it must specify the plans of local administration; it must give assurance that assistance would be given to those in need irrespective of the time of their residence within the state.

The hearings on the LaFollette-Costigan proposals contain considerable testimony from social workers, business leaders, governors, and mayors and from Walter S. Gifford, director of the President's Organization on Unemployment Relief.

As is usual in situations like the one through which the country is now passing, the testimony as to what should be done in the situation is conflicting. Different persons appeal to the same set of facts and arrive at opposite conclusions. Furthermore, it must be admitted that the social data available to which one may appeal are as yet very inadequate. It may be of use to review here the pros and cons of federal relief and to indicate briefly what information is available.

PROS AND CONS OF FEDERAL RELIEF

Walter S. Gifford recently issued a press release which indicated his opinion that if four or five legislatures would act, the states and localities would care for their own this winter. He feared that state and local responsibilities would be lessened if a federal appropriation were made.

Another argument against federal aid is that when once it is granted for any group, it is difficult or impossible to withdraw it. There is fear of duplicating European experience. Some hold that a federal fund would be misused because of political interference. There are those who contend that because the government must borrow heavily in order to meet its deficit it should not be forced to borrow additional funds for relief. Again it is held that "there is no evidence that existing resources are insufficient to prevent actual starvation."

Those who favor federal relief are saying that national action has previously been taken in cases of disaster not so widespread; that the federal government is giving relief to banks and large railroads and industrial enterprises and should also do something for the unemployed; that federal relief can be so given as to stimulate rather than discourage local effort, as has been true in cases of state aid; that the near bankruptcy of many municipalities is notorious, and it is known that some states are unable to make relief appropriations either because of financial conditions or constitutional limitations.

Under such circumstances, those who advocate federal assistance should not have the entire burden of proving that no miracle will happen which would obviate the need for federal assistance. Those who oppose such assistance have a certain burden of proof that existing state programs will prove reasonably adequate. Otherwise, if the mere prevention of starvation has become the American goal, the only convincing evidence of the need for federal action would be widespread starvation and the actual financial breakdown of state and local governments.

With regard to the social data available, it must first be noted that the President's Organization on Unemployment Relief has gathered no comprehensive information on relief needs and that it has made little of its information public. Nevertheless, some useful data are available, even though the judgments of social workers and others close to the situation vary widely as to their value.

SOME DATA AS TO NEED

The department of statistics of the Russell Sage Foundation has been compiling expenditures for family relief from nearly all of the relief organizations of 81 cities in the United States. It has made monthly reports over a period of three years. (This reporting service is now being maintained by the children's bureau at Washington.) The bulletin giving statistics for December, 1931, which is the latest one available, says that expenditures for family relief were much greater in that month than in any previous month of the current depression. More than $20,500,000 in outright and wage relief was distributed by 523 agencies in the 81 cities reported. Comparing the month of December, 1931 with December, 1930 we find an increase of 75 per cent in total relief for 1931. It is significant to note that public departments in December administered 62 per cent of the total relief reported, as contrasted with 75 per cent in October, 1931 and 70 per cent in November, 1931. Very large increases in private emergency relief in two cities, Chicago and New York, are mainly responsible for these figures. Work relief projects were reported in operation in 34 of the 81 cities in December.

The total relief given in 1931 was nearly four times that of the year 1929. It is the testimony of many social workers that relief needs have been "pyramiding" during the entire course of the depression. There is at the present moment competent testimony that the pyramiding process is still going on.

Although much publicity has been given to the relief needs being met by community chest drives, competent testimony from chest executives indicates that the proportion of chest money going for unemployment relief varies between 10 and 35 per cent of the total money collected, the remainder going to other forms of social work. It has been estimated that in ordinary times 10 per cent of chest budgets go for relief purposes. In the present emergency it is thought that perhaps as much as one-third or 35 per cent is being used for relief.

In the year 1929, practically 100 per cent of the relief was outright, or direct, or home relief. By 1930 wage or work relief came into the picture and amounts for work relief increased during 1931.

CAN LOCAL GOVERNMENTS CARRY THE BURDEN?

Because public and not voluntary agencies are meeting the main relief burdens one of the main issues of the controversy is whether local governments should or can continue to add to real estate taxes, their main source of revenue, in order to pay for increasing relief burdens. Apparently a considerable number of local governments are in financial difficulty; or at least cannot meet maturing obligations; or cannot borrow money with banking conditions as they are at present.

The part which the state should play in supplementing county, city, village and town resources has also been a matter of much controversy. Apparently only two states, New York and Wisconsin, have appropriated any considerable sums of money for relief purposes. Both of these states have a successful experience in raising funds through income taxes. Twenty states have already imposed an income tax, according to a recent memorandum by Carl A. Heisterman of the federal children's bureau. Since that memorandum was prepared, Illinois has enacted a new law and possibly other states have taken action which has not come to my attention.

SOME NEED OUTSIDE HELP

It seems evident that, although most persons agree that relief is first of all the responsibility of the locality, secondly that of the state, and third, that of the nation, there are in a majority of the states some localities which need assistance from beyond their borders. The American Association of Public Welfare Officials recently made available to the Steering Committee of the Social Work Conference on Federal Action information in regard to the diverse conditions obtaining in the various states. Sixteen states apparently presented few problems or were not calling for assistance from beyond their borders. In five states dependent transients were the main problem. In five other states the population in the mining areas presented the most serious conditions. Two state governments were reported as having very serious fiscal problems and as being unable to borrow money. The other states, for the most part, had some localities that needed help.

The Steering Committee of the Social Work Conference on Federal Action has issued a report available postpaid through the office of the secretary, Benson Y. Landis, 105 East 22nd Street, New York. On that steering committee were 14 persons identified with national social work agencies. The committee declared in favor of federal aid for unemployment relief in the present emergency, adding that the temporary nature of federal relief should be recognized. One of the conclusions is the startling one that standards of relief giving have fallen progressively lower in nearly all communities during the last few years and are reaching a point in many communities where even a decent minimum of family health and well-being is no longer assured. The majority of the committee favored immediate federal appropriations for both public works and for home relief. A minority felt that only a public works program was needed and that federal grants for home relief were not as yet necessary.

It was stated that road building was the only extensive form of public work that can be immediately expanded. This is because state governments all have roads planned for several years in advance, and await only the necessary funds. But the indications are that the states will actually spend less money for road building during 1932 than they did during 1931 because they do not have the resources. Therefore an emergency federal appropriation for road-building was favored, in order to maintain and increase employment, but with the proviso that federal highway regulations in regard to the "matching" of money be relaxed during the emergency. An increase in federal building was also favored.

At this writing the House of Representatives has passed a bill appropriating $132,000,000 for road building. It is also stated that Senator Wagner of New York will introduce a new comprehensive federal relief bill making grants to the states which will provide for their repayment over a period of years.

Regarding the Indiana Tax Plan—a Reply to "Observer"

BECAUSE it spells economy Indiana likes the Indiana Plan

BY PHILIP ZOERCHER *Indiana State Board of Tax Commissioners*

IN the February issue of the NATIONAL MUNICIPAL REVIEW there appeared an article under the title, "Has the Indiana Plan Been a Success?" The author of it was not known to the public.[1] The article is so unfair to the actual facts that, with the editor's permission, I submit the following:

When the legislature of the state of Indiana convened in January, 1919, the State Board of Tax Commissioners submitted a draft of a bill to that legislature. A special commission had been appointed by Governor Ralston, and this commission in making its report showed that property was very unequally assessed in the state of Indiana, real estate in some counties being assessed as high as eighty per cent and in others as low as twenty per cent. The bill submitted to the legislature was a re-enactment of the old law of 1891, adding such amendments as had been suggested by the special commission and the previous state administration. It was known that if an honest effort were made to assess property at its full true cash value, something would have to be done to check expenditures. Governor Marshall in his last message to the legislature before he entered upon his duties as vice-president said:

> I recommend further that no bonds shall be issued until application made to the state board of tax commissioners asking for leave to issue the bonds and showing the purpose of the issue is granted; and that the board grant no leave until it has fixed the minimum price at which the bonds may be sold.

The provisions in the law provided that all tax levies where the amount exceeded $1.50 were subject to review by this board, and all bond issues were subject to review by this board. As the result of this authority the first year reduction was made in taxes of $11,617,037. Before the fixing of the next tax levies a special session had been convened, and the authority over tax levies was taken away and lodged with the county board of review on appeal of twenty or more taxpayers. Authority over bond issues was continued until January 1, 1921. As the county council[2] is the body that fixes the local levy, it seemed that it was not the proper body to review its own action. The taxes were increased that year $36,000,000. This cost of home rule was so vividly impressed upon the taxpayers that the legislature of 1921 amended the law and gave the tax board authority over bond issues in excess of $5000 and all tax levies on petition of ten or more taxpayers.

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[1] For reasons sufficient to the editor the author's wish to remain anonymous was respected.

[2] A separate body from the county board.

NO AUTHORITY TO FIX SALARIES

Mr. "Observer" criticized this board for not making reductions in salaries. The legislature has placed the fixing of salaries on other bodies, and it would be presumptuous on the part of the state tax board to take upon itself the authority to reduce salaries. The supreme court of this state has repeatedly held that the tax board has only such authority as is set out in the statute. It does not give this board authority to fix salaries. A remedy for that is elsewhere and not with this board. We have tried to carry out the spirit of the law, but our activity was limited by the terms of the statute. The actual reduction in bond issues and tax levies since 1919 has been in round numbers $73,000,000. That is the direct result. The indirect result would more than equal that amount.

EXAMPLES OF ECONOMIES ORDERED

In the year 1930 the school city of Jeffersonville contemplated a bond issue for $155,000 for building a new school house. Ten or more taxpayers filed a petition which brought the matter before our board. A hearing was had and the finding was that the school house was necessary. A preliminary order was made directing the school city to advertise and receive bids and make report thereof. Contractors in the state of Indiana have learned that in cases of this kind they are not required to see any persons of influence but if they file the proper bond and show a proper financial statement, and if their bid is low, they will be awarded the contract or the bond issue will be denied. In this particular case the local school officers wanted to let the contract to a local bidder whose bid was $12,000 more than the low bidder. The low bidder was from Batesville, Indiana, and a man who had erected many buildings in the state. Pressure was attempted, requesting the board to approve bonds for an amount which would have permitted the local board to let the contract to the high bidder. The board refused to pay any attention to these outside influences, as it has consistently done during its entire career. The building was erected, and is satisfactory to everybody, with a saving of $12,000 to the taxpayers and bonds were approved in the sum of $107,000.

In Marion County several years ago the Taxpayers' Association filed an objection against several bond issues. After investigation and a hearing the state board of tax commissioners made a preliminary order. When the bids were received one of the county commissioners admitted that if bringing the matter before the state tax board would bring such an array of bidders, he hoped every bond issue would be submitted to our board. The saving in those roads at that time amounted to over fifteen per cent. The following year four county unit roads were proposed, and a bond issue of $712,000 was asked for. Petitions were filed in all those cases, and after the bids were received the bond issue was approved in the sum of $495,000; in other words, a saving of $217,000.

On March 28, on petition of taxpayers, a hearing was held in the city of Evansville on the building of two roads under the three mile road law in the city of Evansville. The plan was to build the roads under the three mile road law, requiring taxpayers in the entire township to pave these streets in the city of Evansville. Vanderburgh County has a very competent highway superintendent, one who has done most excellent work on the county highways, and the board is confident that the work can be done at a greatly reduced cost to the taxpayers by the city and the county council working together.

THE LAW IS CONSTITUTIONAL

The question of home rule cannot apply to the question of taxation. That was fully decided by the Supreme Court of Indiana in the case of *Zoercher* v. *Alger*, reported in 172 N. E. 186. That was a case where an appeal was taken by ten or more taxpayers in the city of South Bend, asking a review of the civil city levy and reduction in the levy was made of one cent. The lower court held the law unconstitutional. The case was appealed to the supreme court, and we quote the following from the court's opinion:

> It is unnecessary here to enter upon a discussion of the existence of the right of self-government in cities, or to determine just what such phrase includes. It cannot include the right of taxation, because that, by section 1, art. 10, Const. section 200 Burns' Ann. St. 1926, is vested in the general assembly. The power of taxation is in the state which occupies the position of universal trustee for all its municipal subdivisions. Cities get their authority to levy taxes only from a grant thereof by the state legislature.
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> The legislature has granted to cities the power of taxation and has enacted many laws regulating taxation. These grants are naturally subject to revocation, modification, and control by the legislature. . . . The legislature has delegated the power to make levies to the governing bodies of the municipalities and has established the state board of tax commissioners as a reviewing body, to serve as a check upon the local municipal authorities, giving such board power to affirm or decrease levies in order to keep them within the limits which it has prescribed. There is no constitutional objection to the legislature thus providing for the carrying out and enforcing of its expressly enacted will. Boards or individuals occupying no legislative position may be delegated duties in regard to taxation which are advisory or ministerial in their nature.

INDIANA APPROVES

The records in the office of the state board of tax commissioners speak for themselves. These records show that the taxpayers in every county in the state have at some time or other taken advantage of the rights given them under the statute of appealing bond issues and tax levies to the board. In spite of what Mr. "Observer" or anyone else may say, taxpayers in this state have been jealous of their rights, and each succeeding legislature since 1921 has strengthened the law rather than taken steps toward repealing it. There is no greater problem before the American people today than the question of taxation, and that has resolved itself into a question of how much money should be spent by public officials. If one hundred cents of value is given in return for every dollar paid, there cannot be so much complaint, but where there is extravagance and corruption, and the taxpayer has no remedy, those are conditions that we have tried to obviate by the passage of the Indiana plan. It may not have accomplished everything, but has accomplished much more than anything we have ever had in the state. Mr. "Observer," himself, knew that and felt that way. If he did not he would have been man enough to sign the article and let everyone know who the author was.

What Municipal Home Rule Means Today

V. Missouri

In Missouri, home rule means what the courts say it means and no more

BY THOMAS S. BARCLAY
Stanford University

That certain cities should enjoy the right to determine their own form of government first found formal recognition and sanction in the Missouri constitution of 1875. The vagueness and uncertainty of the constitutional provisions for municipal home rule therein incorporated, to say nothing of the ambiguous and contradictory declarations concerning state laws and charter provisions, have made extremely difficult the application of the home rule principle. In other words, it was shortly apparent that, although home rule was an appealing catchword, its scope, meaning, and limitations were exceedingly vague.[1]

St. Louis and Kansas City remain the only cities to which home rule is applicable. These municipalities have proceeded, in the first instance, to decide for themselves what powers they may exercise under the constitutional authority conferred with reference to a charter for each city's "own government." During the past fifteen years the questions involved in a possible conflict between state laws and charter provisions of home rule cities have in several important cases been judicially determined. There also have been widely divergent opinions concerning the exercise by cities of powers which, it is alleged, do not pertain to municipal government. An analysis of the various questions in which have been involved conflict or the scope of the city's power will serve to indicate what home rule means today in Missouri.

PROCEDURAL CHANGES FOR HOME RULE CHARTERS

Under the terms of a constitutional amendment adopted in 1920, the machinery for exercising home rule was altered and brought into conformity with modern conditions. Provision was made for submitting the question of charter revision by initiative as well as by action of the city council; for the nomination by petition and the election of the charter commission on a nonpartisan ballot; for the adoption of the proposed charter by a majority vote rather than by a four-sevenths vote. Finally, the requirement for a mayor and a bicameral legislative body was abolished, thus making possible the adoption of the city manager plan. These changes applied, in effect, only to Kansas City, as St. Louis operates under separate provisions of substantially the same character. The amendment was virtually a duplicate of the plan proposed in the model charter of the National Municipal League.

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[1] The applied problems of home rule in Missouri, 1875–1914, have been analyzed with characteristic keenness and cogency by Howard Lee McBain in *The Law and the Practice of Municipal Home Rule*, pp. 118–200 (New York, 1916).

In 1924 a series of proposed amendments to the constitution included a complete recasting of the sections dealing with home rule. The improvements adopted in 1920 were retained but all, or nearly all, of the obsolete and contradictory clauses were eliminated.

Home rule was extended to every city of more than three thousand population; the charter remained subject to the requirement that it must be consistent with the constitution, but, with reference to legislative acts, it was to be consistent only with "general laws of the state relative to matters of general state concern or operation." This change was to eliminate a prolific source of confusion and expensive litigation.[1]

To the general grant of power over municipal affairs was added a specific enumeration of powers that might be exercised by cities. These included taxation, acquisition and maintenance of all public works, and ownership and operation of public utilities. Express recognition was given to the right of a city to control its police department, but in cities of over 70,000 the governor was authorized to remove the commissioner or board although he had no authority to fill any vacancy. Provisions were included for zoning and excess condemnation, while the constitutional strait-jacket which for fifty years has prevented the expansion of St. Louis beyond its fixed limits was so removed as to permit extension by consolidation, by annexation of contiguous territory, or by St. Louis becoming again a part of St. Louis county. Control over elections, public utilities, and city accounts remained subject to legislative regulation. It is indeed unfortunate that these constructive amendments, prepared after careful study by an able committee of the constitutional convention, were rejected by the electorate. Their adoption would have clarified and simplified the law of home rule.

PROPOSED AND ADOPTED CHARTERS

St. Louis continues to operate under its charter of 1914, which provides for a strong mayor form of government, combined with a relatively modern administrative organization. There has been practically no discussion of a new fundamental law, the charter being generally satisfactory. The city remains strongly Republican; the general ticket method has resulted in a continued and unsatisfactory one party domination.

In Kansas City there was almost a decade of agitation for a new charter, as the charter of 1908 was hopelessly antiquated. In 1917 a charter providing for the city manager plan, with such unsatisfactory modifications as were then necessary under the state constitution, was defeated. The city electorate rejected, on November 21, 1922, another proposed charter, which provided for a unicameral legislative body, increased power for the mayor, a more centralized administration, and a budget system. The charter was obviously a compromise. Its defeat can be charged to opposition by the political machines, by many who believed that more drastic improvement was necessary, and by a lack of organized support.

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[1] The constitution of 1875 provided that a St. Louis charter "shall always be in harmony with and subject to the Constitution and laws of Missouri," and charters of other home rule cities "consistent with and subject to the Constitution and laws of this State." Art. IX, secs. 16 and 23. The courts were forced to read into these sections the qualification that charter provisions must be consistent only with those laws of general rather than of local concern. Kansas City ex rel. North Park District v. Scarritt (1894) 127 Mo. 642.

A charter commission pledged to submit a city manager charter was elected on February 26, 1924, and, one year later, after an intensive campaign and supported by a curious alliance of machine politicians and civic leaders, the voters adopted by a large majority a council manager charter. Bicameralism, the partisan long ballot, and the board system of administration were replaced by a single chambered council of nine, one of whom is the mayor, selected on a nonpartisan basis; a city manager who has adequate administrative control; and satisfactory civil service provisions. Despite the nonpartisan ballot, the government under the charter has been intensely partisan. Structural improvements and relatively efficient administration, however, have more than compensated for the failure to achieve nonpartisanship.

LEGISLATURE AND HOME RULE CITIES

The police department of St. Louis and the election machinery of both cities remain under the administrative control of separate state boards. This arrangement has long been regarded with intermittent hostility by many local elements, and movements to "restore home rule" and to provide the "fullest measure of home rule" have been launched both in and out of the legislature.[1] At nearly every session unsuccessful attempts have been made to give the cities control of police administration. In 1914 legislation for St. Louis to this effect was defeated on a state-wide referendum. With an almost perpetual Republican control of St. Louis and with successive Republican governors, many Democrats have lost interest in proposals to secure home rule in police and in elections for that city. It is also recognized that the police department has been unusually free from political influence, with a marked increase in efficiency. Kansas City, however, is preponderantly Democratic and much conflict has occurred between the Democratic city manager and the Republican police board. The factors which will probably prevent the early restoration of local control include the city against the country, the wets against the drys, and the difficulty in securing the proper political coalition in the legislature.

RECENT JUDICIAL INTERPRETATION OF HOME RULE PROVISIONS

From the beginning, the practice of home rule in Missouri has been made exceedingly difficult because of the confused ambiguity of the law. The actual powers possessed by municipalities under the constitutional grant have never been certain. It is necessary, therefore, continually to seek judicial assistance in order to determine the extent of the city's powers and to adjust questions of conflict between state laws and home rule charters. In an era of ever-widening functions of government the competence of the city to exercise this or that power has been frequently questioned. A brief examination of some of the more significant decisions may serve to indicate where the cities stand. These cases involve chiefly the fields of taxation, public utilities, zoning, police department, police power, and streets and sewers.

(1) *Taxation.* In this important field the court has reaffirmed its earlier doctrine, to the effect that charter provisions and ordinances passed in pursuance thereof, relating to taxation, must be consistent with and subject to the state laws of general application

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[1] *St. Louis Globe-Democrat*, October 13, 1921, January 5, 1922.

concerning this subject.[1] Apparently, no charter provision can supersede a general state law on the subject of taxation and it certainly cannot conflict with it. Nor can a city make additions to the classes created by general state laws for tax purposes.

The court has continued its practice of restraining municipal tax proposals which, without conflicting with state law, are experimental in character, although upholding license or merchants' taxes on the sale of cigarettes and of gasoline.[2] In upholding taxes for special purposes in St. Louis, authorized by the legislature, the court declared that a home rule city can exercise only those powers incident to municipal government and that in other tax matters it was subject to the same legislative control as cities organized under general laws.[3]

(2) *Public Utilities.* In 1913 a state law created a public service commission, conferring upon that body jurisdiction of the service, rates, and securities of various privately owned public utilities, including street railways. The St. Louis charter of 1914 vested in the board of aldermen regulatory power, including the fixing of rates, over local public service corporations. The law and the charter were in direct conflict, and the validity of the latter was shortly assailed. It was held that the control and management of public utilities were not matters of municipal concern, and that the charter provisions "constituted an unwarranted invasion of a province clearly within the purview of the state" and were thus "inoperative and of no effect."[4]

During the period of rising costs the state commission has authorized on several occasions the increase of fares of street railways. Despite the fact that the fares had been fixed in the franchises between the home rule cities and the respective utility companies, judicial declaration was to the effect that the state, through its agent the commission, could prescribe different fares. Reasonable rates, as determined by the state authority, displace those permitted by the city, even though the latter charges were made the condition upon which the franchise was granted.[5] In discussing the validity of a St. Louis ordinance which made it an offense to sell or give away a street car transfer, the court declared that entirely regardless of any conflict, the city had invaded the province of the state and was "without the power to regulate to any extent, directly or indirectly, the rates of a public utility or to prescribe regulations or practices which affect such rates."[6]

Any lingering doubt concerning the power of home rule cities to regulate rates or effectively to control operations of utilities was dispelled in 1930. In pursuance of a state enabling act, authorizing cities of certain population to enter into service at cost agreements with common carriers, the council of Kansas City had granted a street railway franchise. The company agreed that the schedule of fares therein provided "shall and will be sufficiently compensatory and constitute a fair and just return to the owner on said property." Subsequently, the company petitioned the public service commission for increased fares, and the city immediately contended that the express contract provisions in the franchise prevented the commission from proceeding further in the matter. The opinion of the court, however, held that the function of rate regulation remained exclusively with the state commission, despite the enabling act, and that fixing of rates was an exercise of the police power of the state which could not be abridged by law or by the terms of a franchise granted by municipal authority.[1]

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[1] State ex rel. International Shoe Co. v. Chapman (1925) 311 Mo. 1.; see also Siemens v. Shreeve (1927) 317 Mo. 736.

[2] Ex parte Asotsky (1928) 319 Mo. 810; Automobile Gasoline Co. v. City of St. Louis (1931) 32 S. W. (2d) 281.

[3] State ex rel. Carpenter v. City of St. Louis, State ex rel. Zoölogical Board of Control v. City of St. Louis (1928) 318 Mo. 870 and 910.

[4] State ex rel. United Railways Company v. Public Service Commission (1916) 270 Mo. 429.

[5] City of St. Louis v. Public Service Commission, City of Kansas City v. Public Service Commission (1918) 276 Mo. 509 and 539.

[6] Ex parte Packman (1927) 317 Mo. 732.

The competence of home rule cities to control public utilities, under the general constitutional authority to frame a charter, is thus greatly restricted. Only the repeal of the law creating the commission can divest it of any part of its jurisdiction, and even then it would be exceedingly doubtful whether the cities could exercise authority in a matter of so-called state or general concern, whether or not there was any conflict.

(3) *Police Administration.* It has already been indicated that state administrative control over the police has long existed in the home rule cities of Missouri, despite relatively numerous efforts to restore to them this important function. During the past decade the court on several occasions has strongly reaffirmed its earlier opinions that the control of police was a matter of state and not of municipal concern.

The St. Louis authorities have grudgingly acquiesced in this doctrine but political, fiscal, and other factors have combined to produce in Kansas City strong resentment against state control. There is justifiable opposition of a legal and political character to state laws which provide in detail for the organization and procedure of what is essentially a department of municipal government. The attempt of the city authorities to levy what was in fact a special state tax for the support and maintenance of the Kansas City police department was voided by the court.[2] The municipality has been declared to be an agent of the state, charged with the financial maintenance from the city's revenues of the police department even though it is a state institution.[3]

A state law requiring the corporate authorities to appropriate such funds as are requested by the police board was recently upheld by the court, after a prolonged controversy between the Democratic city manager of Kansas City and the Republican board over the police appropriations and expenditures for 1929–30.[4] That home rule cities would be permitted to exercise what is often designated as "real home rule" in police affairs seemed exceedingly doubtful. On March 15, 1932, however, the court by a divided vote held unconstitutional the statute which established state control of the police department in Kansas City.[5] The decision was the result of a suit which arose when the Kansas City council refused to appropriate the funds requisitioned by the police board for 1931–32.[6] The court declared that the act applying to Kansas City was a delegation to an administrative agency, the police board, of the taxing power, "in violation of the organic law."[7]

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[1] State ex rel. Kansas City Public Service Company v. Latshaw (1930) 30 S. W. (2d) 105.

[2] Strother v. Kansas City (1920) 283 Mo. 283.

[3] American Fire Alarm Co. v. Board of Police Commissioners (1920) 285 Mo. 581.

[4] State ex rel. Beach v. Beach (1930) 28 S. W. (2d) 105.

[5] State ex rel. Field vs. Smith (1932).

[6] See Revised Stats. Mo. secs. 7501–7535 (1929).

[7] In the earlier cases the constitutional question as to the delegation of legislative power was not raised or considered.

Under the act the court maintained that the board might demand the entire revenues of the city and "by force of the statute, the custodian of Kansas City's revenues must stand and deliver." The city authorities immediately proceeded to administer the department under the terms of the city charter.

The decision does not question the right of the state to provide for state control and to require the cities to pay the expenses of police departments; it voids the specific statute under consideration. Apparently, a statute for Kansas City reëstablishing state control, if it conformed to the constitutional requirements, would be upheld. It was specifically stated that the validity of the law relating to St. Louis, which is somewhat different, was not affected.[1] From the political point of view, the decision may have far-reaching consequences. It restores control of the police, at least temporarily, to a strong Democratic machine, and to its leader, Thomas J. Pendergast, already in absolute control of every other phase of the city government.

(4) *Police Power.* The right of cities under home rule charters to enact ordinances of a police power nature is rarely questioned. It is part of the power conferred by the constitution under the grant of home rule.[2] In Missouri the same principle is applied in case of conflict between state police laws and city police ordinances enacted under home rule as is applied in a conflict between such laws and the police ordinances of a legislative charter city. A city cannot, however, expressly forbid what the legislature has expressly authorized, it cannot make unlawful what the general statute has declared is lawful, and it cannot prohibit a business which the statute permits.[3]

(5) *Zoning.* The very apparent necessity for adequate zoning for St. Louis was met by a comprehensive ordinance passed in 1918. This ordinance was declared unconstitutional by the court, but it is difficult concisely to indicate just what was the exact basis for the involved decisions in three quite similar cases.[4] The charter provisions, referring only to specified nuisances and to occupations dangerous or detrimental to the public health, were not comprehensive enough to include restrictions in the form of "use" and "height" districts. In other words, the well-known rule of strict construction of the terms of the charter was applied. In consequence of these decisions, a chaotic period of speculative building resulted, with great damage to many neighborhoods and districts.

In 1925 the legislature passed a zoning-enabling act. This carefully prepared statute authorized zoning under the police power and was intended primarily to apply to the home rule charter cities. Ordinances based upon the act were subsequently upheld by a bare majority of the court.[5] It would seem, therefore, that the legality of zoning as a proper exercise of the police power is now established.

(6) *Streets and Sewers.* Municipal ordinances concerning the construction

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[1] It is quite possible, however, that the municipal authorities of St. Louis will soon test the validity of the law relative to that city. See Revised Stats. Mo. secs. 7540–7564 (1929).

[2] State ex rel. Vogt v. Reynolds (1922) 295 Mo. 375.

[3] State ex rel. Knese v. Kinsey (1926) 314 Mo. 80.

[4] State ex rel. Penrose Investment Co. v. McKelvey; State ex rel. Better Built Homes and Mortgage Co. v. McKelvey; St. Louis v. Evraiff (1923) 301 Mo. 1, 130, 231.

[5] State ex rel. Oliver Cadillac Co. v. Christopher (1927) 317 Mo. 1179; State ex rel. Nigro v. Kansas City (1930) 27 S. W. (2d) 1030.

of sewers, drains, levees, and providing for special sewer tax bills have been upheld as against state laws on these subjects. The court ruled that as the former pertained to matters of "peculiar, essential, and elementary local municipal concern" they prevailed in case of conflict with state statutes.[1] Charter procedure relating to condemnation of property likewise supersedes a state law, regardless of the order of their passage.[2]

(7) *Annexation of Territory.* The present limits of St. Louis were fixed in 1876 when the city was separated from the county, with no provision for future annexation of territory. After considerable agitation, an amendment to the constitution was passed in 1924 which authorized a joint board of freeholders to draft and submit to the voters of the city and of the county one of three alternative plans enabling St. Louis to extend its boundaries. The county electorate subsequently rejected the consolidation scheme which was proposed. After long discussion and investigation by various civic leaders and experts in both jurisdictions, the plan of a federated city for the region seemed the most practicable. It was necessary first to secure the adoption of a long and complicated amendment authorizing the drafting of a charter for the city of Greater St. Louis, to become effective when adopted by a majority vote in both city and county. Although this proposal carried the city of St. Louis it was defeated elsewhere by a large majority. Despite the many unsatisfactory and anomalous features of the present situation, it does not seem possible that the city will soon escape, as a legal and political entity, the status of a mediaeval walled town. Fortunately, Kansas City is not in a similar situation.

CONCLUSION

The principle of home rule is firmly fixed in the public law of Missouri, despite certain unsatisfactory features of the practice. The legislature has indicated no hostile disposition to interfere with home rule by consciously restricting the powers of home rule cities; the attitude has been largely one of indifference. The fact that St. Louis and Kansas City by judicial determination have each been held to be in "special" constitutional classes has permitted legislation directly for them, but this power has rarely been abused.

Because of the well meaning but very vague terms of the grant of constitutional home rule, the court will be continuously burdened with the task of defining and limiting the application. The attitude of the court thus becomes much more important than the attitude of the legislature. Judicial solution of the complicated problems has left much to be desired, especially in the fields of police administration and of public utility regulation where great dissatisfaction with existing conditions is evinced by the respective cities. It would, however, be hazardous to predict any general reversal of well established legal doctrines which seem now to have passed into settled usage.

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[1] In re East Bottoms Drainage District (1924) 305 Mo. 577; Bates v. Comstock Realty Co. (1924) 306 Mo. 312.

[2] State ex rel. Kansas City v. Lucas (1927) 317 Mo. 255.

RECENT BOOKS REVIEWED

Cases on Municipal Corporations. By Charles W. Tooke. Chicago: Commerce Clearing House, Inc. 1931 Edition. v, 896 pp. $6.50.

A review of a new edition of a well-known case book can be little more than a comparison of the two books. It is so long since the publication of any other case books on this subject that reference to them is unnecessary. It is a striking proof of the rapid developments in this field that a new edition should be needed only some five or six years after the first edition. Of course, the zoning cases come first to mind; the first of the comprehensive zoning cases in the United States Supreme Court was decided in 1926. The author's preface shows similar expansion in some other aspects of the subject. These changes are reflected in the new cases reported. A comparison of some of the chapters is revealing. In the first four chapters, which deal mostly with the more formal aspects of the subject such as creation and relation to other parts of the state government and to the national government, there are only five new cases, *i.e.*, cases which were not reported anywhere in the former edition. On the other hand, the following four chapters on powers (covering not very many more pages than the first four chapters) contain thirty-six new cases. There are none in Chapter X on municipal indebtedness and only one in Chapter XI on liability in quasi contract. However, there are ten in Chapter XIII on tort liability. The "new cases" referred to are not all of recent date, but most of them are. Furthermore, there is a good deal of rearrangement of the cases within chapters and from one chapter to another. Also, some of the old chapters are combined, and the old chapter on powers is divided into four new chapters. Lastly, the book has been shortened by the omission of some cases and further editing of others, thus reducing the size of the book over four hundred pages. Even now there is more material than is needed for the time usually allotted to the course. It is apparent that this new edition is not a perfunctory job; it is a real revision.

Some criticisms may be made. There continue to be a few cases where the ultimate disposition of the case is not stated. The citations of material in the legal periodicals are helpful but by no means as complete as would be useful. For example, reference on page 862 to Professor Borchard's excellent essays on "Government Liability in Tort" is only to those in the *Yale Law Journal*, giving the date of the first one without the exact citation of any and without indicating that the series has been continued in the *Columbia Law Review*.

On the whole, however, Professor Tooke has done a thorough and scholarly piece of work. This new edition should stimulate the teaching of this important subject in American universities.

Ralph H. Dwan.

University of Minnesota Law School.

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Stabilization of Employment in Philadelphia Through Long-Range Planning of Municipal Improvement Projects. By William N. Loucks, Ph.D. Philadelphia: University of Pennsylvania Press, 1931. 341 pp. $3.50.

Here we have the first thoroughgoing study of the possibility for influencing the stabilization of employment by adjusting programs of municipal works to cycles of unemployment.

Dr. Loucks shows the tremendous increase in annual expenditures for municipal improvements in Philadelphia during the period 1919 to 1928 and the correspondingly great increase in the bonded debt of the city. He finds that "the apparent tendency for total loan-fund improvements to fluctuate in direct correlation with unemployment during the years 1919 to 1924 was purely accidental, since no such tendency existed from 1925 to 1928. Expenditures and unemployment can be correlated only by planning and controlling expenditures to that end."

He finds that while Philadelphia will not for many years suffer from lack of contemplated improvements, neither the city plan commission or any other agency has yet set up an authentic sequence for carrying out these public works. He seems to feel that in the enthusiasm for bettering municipal facilities, the city's appetite for improvements may have been whetted beyond a desirable and healthy state and that eagerness to get projects started has lead to official authorization of work before adequate appropriations were in view. This in turn has produced the unconscious assumption that the city's ability to finance improvement work is unlimited—an assumption "constantly becoming less and less correct."

In studying the procedure for initiating and carrying on improvements he finds cumbersome red tape and much loss of time, and he proposes quite definite methods of cutting the tape.

The volume includes a carefully prepared program whereby Philadelphia may partially stabilize employment through the long-range planning of its municipal improvement projects, including (1) a comprehensive authoritative plan for improvements; (2) a coördinated plan of finance; (3) the determination of means for preserving a larger margin of borrowing capacity; (4) means of quickly financing projects upon short notice; (5) means to simplify and shorten the procedure in planning, financing, and putting projects under contract; (6) means to shorten the time required for taking title to property needed. Dr. Loucks goes further and outlines nine steps essential to establishing a long-range planning procedure and adjusting that procedure in the cycles of employment.

The author in the course of the text, asks himself this question: "Does the possibility of absorbing, through expanded public works, 10 per cent or 15 per cent of those unemployed during a depression, justify the expenditure of the time and effort necessary for even the partial completion of these suggested changes (in the municipal administrative organization)?" And he gives the following judicious reply. "Probably not, if these modifications were only to make possible successful long-range planning. Fortunately for the long-range planning advocates, however, such developments would be much more far-reaching. Each of the proposals included in the outline (of organization) has other potential advantages which in most cases are so great as to make its significance in relation to long-range planning almost incidental."

This is a corking book all the way through from its explicit table of contents to the bibliography and index, and it should be of great value to every one concerned with unemployment and/or municipal administration. And from the present writer's standpoint, it would seem to mark an epoch in bridging the very difficult gap between the preparation of city plans and the effective, efficient realization of those plans.

Jacob L. Crane.

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Full Value Real Estate Assessment as a Prerequisite to State Aid in New York. Special Report of the State Tax Commission, No. 3. By Chester Baldwin Pond, Ph.D. 1931. 189 pp.

This is the third special report submitted as a result of the highly commendable plan adopted in 1928 by the New York State Tax Commission of establishing a limited number of university fellowships for the study of New York tax problems. Dr. Pond was the New York State Fellow in Taxation at Cornell University.

The title of this monograph is a bit misleading, since it is only in the last chapter and in the appendix that the author presents and analyzes the proposal for full value real estate assessment as a prerequisite to state aid in New York. The bulk of the report is really concerned with the operation of conditioned federal aid and conditioned state aid in the United States and conditioned state aid in other countries. This part of the report is a valuable summary, although its extensive character does not permit a thorough and intensive examination of the operation of the principle of state aid. Sufficient evidence and data are presented on the operation of the principle of state aid to prove that it has been a very successful device wherever used.

Having demonstrated the widespread and continued success of the application of state aid, Dr. Pond proceeds to suggest it as a scheme that might be utilized to bring about full value assessment of real estate in New York, and thus erase in considerable measure the $150,000,000 total annual injustice now being done the taxpayers of the state as a result of the deviation from uniformity under present assessment practices. The scheme would be put into effect by inserting a provision in the tax law of New York stating that no tax district will be eligible for state aid in any form, whether returned taxes or road and school aid, until the tax commission is satisfied that the tax district assesses real estate at full value.

The reviewer believes that the checking of the local assessments presents more serious practical difficulties than the author seems to realize. No legal difficulties that might obstruct the adoption of the plan are apparent. While the scheme departs in important particulars from the principles of state-aid heretofore applied, on the whole it seems like an admirable idea and ought to be given a trial.

Martin L. Faust.

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Single Finger Prints. By Harry Battley. New Haven: Yale University Press, 1931. 98 pp. $2.50.

This outline of a new system of filing single finger prints, as used in New Scotland Yards, was developed by the author, the chief inspector in charge of the finger print bureau.

The common system of finger print identification in use today is based upon a classification using the ten digits of both hands. But the criminal profession seldom is kind enough to leave a clear rolled impression of their ten fingers at the scene of a crime, so the system has been of little use in apprehending a criminal.

The single finger print system seeks to classify a single print in such a manner that identification can be made of the print of but one finger with the minimum of searching. The basis of the Battley system is a small magnifying glass fitted with a window on which are etched eight concentric circles lettered alphabetically.

The single finger print system is not a substitute for the older type of finger printing but supplements it in two types of crime only, safe blowing and house breaking, for these are about the only two crimes where sufficiently clear prints are left to permit identification. However, in this country these crimes are decreasing as other crimes offer larger rewards, do not require a long novitiate and afford less chance of being caught. This is contrary to the experience in continental countries where criminals stay more closely within the limits of their profession. A single finger print file cannot be taken from the present prints, but must be accumulated so that it takes from four to five years before such files are of much service. Due to the necessity for filing ten prints for each person, the files are costly to maintain. It is understood that only two cities in this country have such a file, Los Angeles and St. Louis, but neither use the Battley system. The Department of Justice has not adopted it as yet which mitigates against its usefulness in this country.

The book is written for the finger print technician who is thoroughly grounded in the Henry system. It appears to be practical, thorough and comprehensive in detail. It is being distributed by the Bureau of Social Hygiene, which should be sufficient endorsement of its merit.

J. M. Leonard.
Detroit Bureau of Governmental Research.

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The Government of San Diego County. Los Angeles: California Taxpayers' Association, Inc., 1931. Report No. 150. 313 pp. $2.00.

This report contains an analysis of the government of San Diego County with recommendations for increasing its efficiency and reducing its cost. This county has an area of 4,221 square miles and 209,659 inhabitants. In addition to the incorporated cities, it has 86 school districts, seven different types of special districts, and five road districts. There are 36 elective county officers.

The report contains detailed statistical data showing an increase in the annual cost of each county activity for the five fiscal years, 1925–26 to 1929–30. The total cost increased about 50 per cent; the cost of charity and health administration more than doubled. Comparative data also shows that its welfare work is relatively more expensive than in various other California counties. It is contended that generosity has made pauperism attractive. Apparently, it is believed that expenditures for charity should be reduced during the depression, because the purchasing power of the dollar has increased. The fact that the need may be greater now receives scant consideration (pp. 104, 105, 114, 125).

Aside from its very conservative point of view concerning welfare work, the report contains many excellent suggestions. It recommends the abolition of several elective offices and the creation of a coördinating executive officer with extensive powers. It would centralize financial administration in one department, welfare activities in another department, consolidate the county and city health departments, and make the county a unit for local road administration. Here is a modified county manager plan, though that name is not used in the report. It also contends that through appropriate consolidations the number of school districts should be reduced from 86 to 10.

The report recommends a uniform system of cost accounting for county offices and institutions, declaring the present financial reports "unreliable and worthless" (p. 52). It suggests an annual audit of all financial transactions and certain changes in the existing systems of budgeting and purchasing. It also urges that up-to-date mechanical equipment be provided, especially for the collector, treasurer, and recorder. All of these recommendations are ably supported by arguments for economy and efficiency.

The report is particularly valuable for the statistical data presented. More studies of this type are badly needed.

William L. Bradshaw.
University of Missouri.

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State Government. By Finla Goff Crawford. New York: Henry Holt and Company, 1931. x, 533 pp. $3.50.

It is no secret that many teachers of state government have for some time been looking for a college text which approached the subject from the standpoint of administration. When administrative matters constitute about 90 per cent of the work of state government, they can see no good reason why such matters should receive only the scant attention accorded them in a few pages of the current texts. To meet this demand, Professor Crawford has brought out a text book in which more than half of its 500 pages are devoted to a discussion of administrative processes. He has treated these processes in a functional manner, the major functions being civil service, budgeting, taxation, enforcement of law, criminal procedure, correction, charities, health, labor, education, regulation of business, highways, conservation, agriculture, control of public utilities, and supervision of local governments. He has viewed the problems of state government in relation to those of the national and local governments, thus giving the impression of unity and interdependence in governmental operations from top to bottom. This approach will appeal to college students who have puzzled over the seemingly obtuse connections between the different strata of government—national, state, and local.

While Professor Crawford has written a very good text book on state government, he might have produced a better one had he broken more completely with conventional lines. He is to be credited with having drawn to an unusual degree upon the large amount of survey material now available on the administrative processes of state governments.

A serious shortcoming of Professor Crawford's book, from the standpoint of the student, is its failure to delineate the structural arrangement of state administration. While there is some discussion of organization under each administrative function, nowhere is this subject fully treated and clearly outlined, so the student may get an idea of the most approved general set-up under the state reorganization plans which have been adopted during the past fifteen years. Near the end of the book are two chapters, one on municipal government and the other on county government, which are of such character as to add little or nothing to the general theme. The text throughout the book shows evidences of hasty preparation. Many cumbersome details and dry figures might have been avoided by rewriting, and numerous typographical errors eliminated by careful proof reading. However, these are things that may be corrected in a new edition, which Professor Crawford will undoubtedly find occasion to get out.

A. E. Buck.

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Property Taxation in the United States. By Jens Peter Jensen. University of Chicago Press, 1931. xvi, 532 pp. $4.00.

This bulky volume, which is issued in the University of Chicago Studies in Economics, presents, according to the publisher's description, "a consistent treatment, for the first time, of the enormous volume of periodical literature on property taxation." While the claim to priority might be open to some question, the author has industriously covered and reported upon the literature, including the official reports of permanent and special tax commissions, as well as the discussion on periodicals and special treatises. In fact, he has done this too well, perhaps, for the result is a considerable threshing of old straw. The shortcomings of the general property tax have already been so thoroughly explored and exposed that Professor Jensen is able, in this book, to do little to enlarge the account or to render it more convincing.

There is produced, in consequence, an effect of poor balance. The devotion of so much space to well-known and well-established shortcomings leaves little room, as the book is planned, for constructive treatment. The author recognizes this, and explains his purpose by stating that sound tax reform depends upon a greater popular understanding of the flaws and merits of existing state and local tax systems and of practical changes and alternatives, then now prevails (preface).

Greater popular education upon the subject is beyond doubt needed, but the emphasis should be on the merits of the proposed substitutes, in this case. Many prefer the defects of an established tax to the hazards of new taxes which are not clearly understood. Professor Jensen has not wholly neglected these aspects of the problem, but his purpose would have been better served by a sharper focus upon the future tax system.

H. L. Lutz.

Princeton University.

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Classification of the Civil Service of the City of Minneapolis. Civil Service Commission, May 20, 1931. 61 pp.

This classification of the positions in the civil service of Minneapolis is the result of a year's work by the staff of the League of Minnesota Municipalities under the direction of Morris B. Lambie.

One accomplishment of the reclassification was a reduction in the number of payroll titles from 383 active ones to 177. There are, however, 314 eligible list titles in the new plan. This device of using a single payroll title to include several eligible list titles is not widely used but seems to have some merit in simplifying payroll writing while leaving the civil service commission free to use different examinations and establish separate lists for groups of like positions under a single payroll title.

The specifications themselves are disappointing. They are too brief to be of much use for recruiting purposes or even for the information of the appointing officer and the public. Much more thorough work has been done recently in this field in California. There is no attempt to indicate differences in duties or qualifications between elegible list titles under a single payroll title. A list showing lines of promotion is helpful. The lists of payroll titles and eligible list titles would be more useful if indexed to refer to the specifications. Interesting data on salary ranges and rates, turnover, actual promotions, advancement, and age of present employees which were submitted by Dr. Lambie with his report unfortunately were not printed. A compensation plan, based upon this classification, is the next step planned by the civil service commission. This was not included in the assignment given the League, or in the published report.

Harvey Walker.

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A History of the Detroit Street Railways. By Graeme O'Geran. Detroit: The Conover Press, 1931. xvii, 459 pp. This volume is not for sale but is available in practically every library in cities of 30,000 population or more.

The literature on public utilities grows apace. But there still remains a large gap to be filled in with histories of important individual public service enterprises, and of the development of utility services in local areas.

Professor O'Geran's book tells the story of the street railways of Detroit from the time of the first franchise in 1862 down to 1930. The establishment and early struggles of the several small companies between 1862 and 1890, are sketched in the first three chapters. The events of the next decade, a period of political contention, and of successive consolidations whose sole survivor was the Detroit United Railway Company, are methodically described in Part II. By 1900 a struggle for municipal ownership of the street railways had begun under the leadership of Mayor Hazen Pingree. In Part III of the book, the author analyzes and describes the numerous agreements, plans and elections relating to the movement toward public ownership, and gives us an interesting picture of the varying fortunes of the combatants. This period ended in 1920 when Mayor Couzens' plan for municipal ownership was approved at an election. City ownership of a portion of the lines then became a reality. Further negotiation with the company culminated in the purchase contract of 1922, which, after approval by the voters, made public ownership of the street railway lines city-wide. Since then much needed extensions and improvements in service have been made.

Based almost exclusively upon newspaper sources, the reader will wish that the book were mature and interesting. The appendix of fifteen charts and tables contains some useful exhibits, and the bibliography is poorly prepared.

HUBERT F. HAVLIK.

Columbia University.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

San Diego County Report.—California Taxpayers' Association, 1932. 313 pp. At the request of the county Board of Supervisors, the Association has made its second study of San Diego county. This more complete survey presents a picture of the government in a large unchartered California county, excepting its courts and district attorney's office. Besides the description and analysis of the organization, operation and expenditures of the various county government activities, recommendations are made for increasing efficiency and reducing costs. Among the important recommendations which have partly been adopted are the installation of centralized purchasing and the employment of a county purchasing agent, consolidation of the county appraisal department and assessor's office, the use of a traveling auditor, modernization of the accounting system in the auditor's office, improved office equipment for the tax collector, the adoption of the proposed standard system of accounting for county hospitals, the installation of a modern accounting and budgetary system in San Diego City schools. (Apply to California Taxpayers' Association, 775 Subway Terminal Building, Los Angeles.)

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American Public Health Association Year Book, 1931–1932.—American Public Health Association, New York, 1932. 232 pp. The American Public Health Association has rendered a valuable service in publishing this second year book. The description of this professional society of public health workers and its various sections and committees would be in itself an important resource and this takes but a small part of the volume. The book is primarily a collection of the annual reports of the various active committees of the Association. Such reports are intended for members and are in some instances, rather technical for the lay reader, but this does not lessen their importance to all those interested in the promotion of health through public or private agencies. (Apply to American Public Health Association, 450 Seventh Avenue, New York City.)

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Rural Vermont.—The Vermont Commission on Country Life, Burlington, 1931. 385 pp. Two hundred residents of Vermont have coöperated to produce this comprehensive survey of life and conditions in this state whose largest city has a population of less than 25,000. No factor in the development of the state has been omitted, and analyses have been made of the people and their distribution through the state, the natural forces such as topography, climate and soil, agricultural products and conditions, forest and woodworking industries, vacationers, fish, game and wild life, land utilization, home and community life, recreation, medical and educational facilities in the rural sections, care of the handicapped, religious forces, government and citizenship. All of this is then used as a basis for a section on the conservation of Vermont traditions and ideals as a program for the future. The brief chapter on government prepared by Professor Flint of Norwich University recognizes the need of consolidation, preferably under some form of the manager plan, to enable these small communities to provide essential facilities particularly for health, education and fire protection. A keen analysis of this sort, made by a group interested in preserving sound ideas and in assuring progressive development, is of general interest and importance. (Apply to Vermont Commission on Country Life, Burlington. Price $1.50.)

The Other Side of the Tax Problem.—William Anderson. League of Minnesota Municipalities, 1932. 6 pp. The League of Minnesota Municipalities has reprinted from the January issue of their magazine this splendid article by Professor Anderson. Suggesting the need of a reasoned philosophy of government and public expenditures to meet the tax-cutting demands of the day, he examines some of the ideas which might contribute to such a philosophy. The article is too well written to be appropriately summarized here, and the League of Minnesota Municipalities is to be congratulated for putting it in such readily available form. (Apply to League of Minnesota Municipalities, 16 University Library, Minneapolis.)

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Unemployment.—Aaron Director. American Library Association, Chicago, 1932. 54 pp. The noteworthy collection of booklets known as the Reading with a Purpose series is now increased by the timely addition of one on this pressing current problem. Dr. Director briefly describes the chief causes of unemployment and points out some of the more promising methods of reducing it. The brief bibliography is an important further aid. (Apply to American Library Association, Chicago. Price 35 cents.)

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State-Administered Locally-Shared Income Taxes.—American Municipal Association, Chicago, 1932. 12 pp. At the request of several secretaries of state municipal leagues, this report has been prepared by the staff of the American Municipal Association and several members of the faculty of the University of Chicago, to show the present status of municipal sharing of state income taxes. This important source of municipal revenue is operative now in only Massachusetts, New Hampshire, New York, Tennessee and Wisconsin. Tables show how the tax is distributed in these states as well as in the other twenty states which have personal income taxes but do not assign any of the revenue directly to local governments. (Apply to American Municipal Association, 58th Street and Drexel Avenue, Chicago.)

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Proceedings of the Thirty-Seventh Convention of the American Society of Municipal Engineers, St. Louis, Missouri, 1932. 855 pp. Those present at the 1931 convention of the American Society of Municipal Engineers, held at Pittsburgh last fall, heard some sixty speeches on various aspects of municipal engineering. For publication, the addresses of these experts in the varied fields have been grouped into chapters on city planning, airports and landing fields, street and traffic lighting, traffic control, water works, refuse disposal and street cleaning, sewerage and sanitation, municipal legislation and finance, public utilities, street paving, and municipal unemployment work relief programs. The valuable committee reports are also included, and cover such subjects as sidewalks and pavement specifications. Lists of members and an appendix of standard specifications increase the usefulness of the volume. (Apply to American Society of Municipal Engineers, 4359 Lindell Boulevard, St. Louis, Missouri. Price $7.50.)

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About Ballots.—Bureau for Government Research, West Virginia University, Morgantown, 1932. 11 pp. John F. Sly and his associate, George A. Shipman, have prepared an ordinance suitable for enactment in West Virginia on ballots and ballot forms. The ordinance text presented in this booklet has been given an interesting and practical introduction, based on current practice and sound policy. (Apply to Bureau for Government Research, West Virginia University, Morgantown.)

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Community Planning for Homeless Men and Boys.—Robert S. Wilson. Family Welfare Association of America, New York. 144 pp. On the basis of a personal survey in sixteen widely scattered communities in the United States, Mr. Wilson reports on methods of handling the homeless men and boys who, as migratory and jobless workers moving from city to city, congregate in cheap lodging houses and hotels and in free shelters. The demands for community protection as well as for common decency make it imperative that some provision be made to prevent forcing these men into panhandling, begging and criminality. Success with this depends upon securing basic facts as to the extent of the need, coördinating the work of the various community welfare agencies, centralizing the responsibility for caring for the homeless, and administrating relief through experienced social workers who will give constructive individualized service. (Apply to Family Welfare Association of America, 130 East 22nd Street, New York City. Price $.50.)

JUDICIAL DECISIONS

REVIEWED BY C. W. TOOKE *Professor of Law, New York University*

Editor's Note.—We wish to call the attention of our readers to the communication, in the Notes and Events department of this issue, of Walter Matscheck, director of the Kansas City Civic Research Institute, with reference to the recent decision of the Supreme Court of Missouri in *State of Missouri* v. *Board of Police Commissioners of Kansas City*. It may be noted that a strong dissenting opinion was filed by Judge Frank, concurred in by Chief Judge Atwood, which states the view that the present decision is inconsistent with former decisions of the court and that the existing general statute providing a similarly independent board of police for cities of the first class is open to the same objections as were advanced in the instant case.

The principal ground urged in the majority opinion against the constitutionality of the statute in question is that the mandate requiring the city to pay for the support of the police department whatever amount the board of police may estimate is equivalent to delegating to such an administrative board the power of taxation. The result, the court says, is to make all the revenue of Kansas City subject to the requisitions of the board of police. It may be noted that in the law affecting first class cities this power of requisition is expressly limited to one-sixth of the annual revenue. The decision of the court, however, is not based upon this distinction alone but upon the broad principle that discretionary governmental powers delegated to an administrative board must be reasonably defined and their exercise limited by rules and standards set up by the legislature itself.

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Unemployment Relief.—Preference to Residents in Municipal Contracts.—In *Bohn* v. *Salt Lake City*, 8 Pac. (2d) 591, the Supreme Court of Utah has recently handed down an important decision prohibiting the board of commissioners of Salt Lake City from consummating a proposed contract for the construction of storm sewers, upon the ground that the provisions inserted as to materials and workmen were beyond the powers of the city. In order to relieve the local unemployment situation and to alleviate the business depression, the commissioners formulated last fall a plan for a sewer project to cost $600,000 and to issue bonds in that amount to defray the expense. The bond issue was approved at a special election held October 31 and the commissioners proceeded to let contracts for the work in separate units, each of which contained the provisions substantially as follows:

> The contractors agree (1) so far as possible, there being no substantial and material difference in price to them, that all materials shall be Salt Lake City products and manufacture, and, if not procurable in Salt Lake City, then Utah products and manufacture, and if not procurable in Utah, the contractor shall have the right of selection; (2) that all excavating, loading, and back filling shall be done with hand labor, except that teams and tractors may be used for plowing and loosening the materials to be moved; (3) that contractors shall rotate all common labor, and, so far as practicable, all other labor once each week and shall not employ any workmen more than two weeks in any month, nor shall they employ any workman in any month who has had two weeks' work from any source during any given month if there are other men who are unemployed and available. An agency is set up by the commissioners to register all laborers with reference to such desired information, such agency shall not refuse registration to any able-bodied citizen of the United States who has been a bona fide resident of Salt Lake City for

the past year; (4) preference in employment shall be given to citizens of the United States or those having declared their intention to become such, and particularly residents and heads of families of Salt Lake City; (5) eight hours shall constitute a day's labor; (6) that $3.50 per day shall be paid as a minimum wage.

The taxpayers' petition alleged that the increased cost due to the compulsory elimination of mechanical devices will amount to $35,000 and that due to the requirement of rotation of labor not less than $20,000. It was conceded that these unusual and restrictive provisions would add nothing to the value of the improvement but were motivated entirely by considerations affecting the unemployment situation. Upon this fact the majority of the court holds that the contracts are illegal and void and would result in a diversion of the funds of the municipality.

The discretion of municipal authorities in exercising the auxiliary power to contract which may be necessary to carry out an express power ordinarily will not be questioned by the courts unless it is clear that such discretion has been abused and that the contract is fraudulent or plainly unreasonable. It is well established that the state may require its subordinate agencies to include provisions such as here in question in all public contracts[1] and in the absence of such statutory direction the municipal authorities would have a wide discretion. But statutory restrictions upon the power of the city to contract may be imposed by the legislature, and such restrictions, as that requiring competitive bidding and an award to the lowest responsible bidder, are mandatory in the sense that no valid contract can be let in violation thereof and no recovery for benefits resulting to the city by anyone violating them will be allowed. Such a restriction as that mentioned above is a positive limitation upon the power to contract, and will make invalid a contract calling for prequalification of bidders if that requirement will tend to increase the costs of the work to the city and to destroy open competitive bidding.

In the instant case, while the city was not restricted by the requirement of competitive bidding, a law of the state (Comp. Laws Utah, 1917, §4865) provides that in all state or municipal contracts for the construction of public works "preference shall be given to citizens of the United States or those having declared their intention of becoming citizens." The statute must be read into every municipal charter and its effect is not only to impose an express limitation, but under the established principles of statutory construction may well be held to negative any power of the municipal authorities to include any other preferential provisions in municipal contracts. In the instant case the municipal authorities overlooked two elementary principles: that all their powers must find a statutory warrant and that it is not their province but that of the legislative authority of the state to enlarge them by its declaration of public policy. An enabling statute or a validating act by the state legislature conferring the powers sought to be exercised, would undoubtedly be sustained by the courts.

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Municipal Contracts.—Minimum Wage Scale—City Has No Power to Prescribe Unless Expressly Authorized by Statute.—The board of estimates of Baltimore, acting under the assumed authority of section 516 of the city charter which provides that on all municipal contracts employers shall pay the current rate per diem wages in the locality, adopted a minimum scale of wages to be effective for one year, and announced that such schedule should be inserted in every municipal contract for public works. Beyond the provision of the charter, the general statutes provide (Code of Public Laws, Art. 4, §516):

> That eight hours shall constitute a day's work for all laborers, workmen or mechanics who may be employed by or on behalf of the Mayor and City Council of Baltimore, except in cases of extraordinary emergency which may arise in time of war or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life; provided, that in all such cases, the laborer, workman or mechanic . . . shall be paid on the basis of eight hours constituting a day's work; provided further, that the rate of per diem wages paid to laborers, workmen or mechanics employed directly by the Mayor and City Council of Baltimore shall not be less than two dollars per diem; provided further, that not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers, workmen or mechanics employed by contractors or subcontractors in the execution of any contract or contracts, in any public work within the City of Baltimore.

In *Harlan* v. *Employers' Association of Maryland*, 159 Atl. 267, an action brought to enjoin the enforcement of the order of the board of estimates, the Court of Appeals of Maryland, while denying that the petitioning contractors were entitled to the relief prayed for, holds that the city has no power to impose such a condition. It is plain that the statutory provisions making mandatory the restrictions as to hours of labor and wages to be paid employees necessarily limit the scope of a power of the city authorities to act in the premises, the same principle of construction as was applied in *Bohn* v. *Salt Lake City*, reported above.

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[1] The leading cases are: Atkin v. Kansas, 191 U. S. 207; Campbell v. New York, 244 N. Y. 317, 155 N. E. 628; Heim v. McCall, 239 U. S. 175.

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Control over Municipal Finance.—The Indiana System—The California Plan.—The Indiana system of control over local finance provides among other things that bonds or other evidences of indebtedness issued by any municipality may not bear interest to exceed six per cent and that if the interest stipulated exceeds five per cent, such issue must have the approval of the state board of tax commissioners. In *Citizens' Bank of Anderson* v. *Town of Burnettsville*, 179 N. E. 724, the Appellate Court of Indiana points out that this provision is mandatory and that securities issued in violation thereof are void. The plaintiff had purchased certain six per cent notes issued to a corporation which had furnished the city with fire equipment. The purchase of such equipment was clearly within the implied powers of the municipality,[1] but the notes had not received the approval of the state board and the court was therefore compelled to sustain a demurrer to the complaint. The statutory provision being mandatory so operates as a limitation upon the power as to preclude the creation of either an express or implied contract based upon the transaction, leaving the plaintiff to an action to recover the specific goods delivered to the city.

The problem of a central supervision of local finance in the home rule states is more difficult, as this would seem to be peculiarly a "municipal affair" within the exclusive gambit of the local charter. So it was held in California in the earlier days of home rule experimentation,[2] but in 1922 the constitution was amended to provide that the deposit of local funds might be made subject to general statutes passed either by the initiative and referendum or by a two-thirds vote of each house of the legislature and approved by the governor. In *McGuire* v. *Wentworth*, 7 Pac. (2d) 729, the District Court of Appeals, First District, in refusing to reverse an order denying a petition to mandamus the auditor of San Francisco to withdraw a deposit from a certain bank because of non-compliance with provisions of the local charter, holds that the charter provision was repealed by the statute duly passed by the legislature in 1927[3] under which the auditor acted in the instant case. The decision is significant in showing how California early realized the intimate interests of the state at large in local financial methods, a lesson that is being brought home by recent developments in many states, where loose methods of local financing in only a few municipalities is seen to be seriously affecting the financial credit not only of the other municipalities but of the state itself.

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Ice Business Not a Public Utility.—The Supreme Court Declares Oklahoma Statute Unconstitutional.—The Supreme Court, affirming the judgment of the lower courts,[4] has decided in *New State Ice Co.* v. *Liebmann*, 52 Sup. Ct. Rep. 371 [Adv.], that the statute of Oklahoma[5] requiring a license or permit from the corporation commission before engaging in the business of manufacturing and distributing ice is invalid under the Fourteenth Amendment. In brief, the majority of the court hold that the ice business is not so charged with a public interest as to be made subject to regulation as a public utility. A dissenting opinion by Mr. Justice Brandeis, concurred in by Mr. Justice Stone, declares that the question of necessity of regulation of such a private business is a matter for the state legislature to determine and emphasizes the social and political considerations that are involved in this momentous decision.

It may be pointed out that this decision does not affect in any way the power of the state legislature, if permitted by its own constitution, to authorize municipalities to engage in this business. Such local activities under statutory or charter authorization have been upheld by the Supreme Court as to coal and wood, gasoline, elevators, packing houses and flour mills.[6] Statutes authorizing municipalities to engage in the ice business have been upheld as valid under the state constitutions in Arizona, Georgia and Texas.[1] The effect, therefore, of the decision of the Supreme Court in the instant case may be to stimulate municipal ownership by the enactment of empowering statutes in other states. So long as the present decision stands, the ice business whether conducted by private owners or by public agencies will be subject only to the laws of competition, a field within which private enterprise will have but little chance of survival against publicly owned plants with the power of taxation to support them. We cannot but regard the decision as one peculiarly unfortunate for private enterprises of this kind in those states that see fit to authorize public ownership in this line of business.

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[1] Bluffton v. Studebaker, 106 Ind. 129, 6 N. E. 1.

[2] Rothchild v. Bantel, 152 Cal. 5, 91 Pac. 803.

[3] Stat. 1927, p. 1389.

[4] District Court, 42 Fed. (2d) 913; affirmed, Circuit Court of Appeals, 52 Fed. (2d) 349.

[5] Session Laws, 1925, ch. 147.

[6] Jones v. City of Portland, 245 U. S. 217; Standard Oil Co. v. City of Lincoln, 275 U. S. 504; Green v. Frazier, 253 U. S. 233.

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Billboard Regulation.—EXCLUSION OF TOBACCO ADVERTISEMENTS UPHELD—SCREENING OF ORDINARY BILLBOARDS ON PRIVATE PROPERTY BY PUBLIC AUTHORITIES DECLARED UNLAWFUL.—Two recent decisions bearing upon the regulation of billboards along the public highways should be noted. The first is *Packer Corporation* v. *State of Utah*, 52 Sup. Ct. Rep. 273 [Adv.], in which the Supreme Court of the United States sustained the Utah statute (Laws of 1921, ch. 145, §2 as amended) prohibiting tobacco advertising by billboards or placards as within the police power of the state, holding such act not invalid as arbitrarily curtailing the right of contract or as a restraint on interstate commerce. This decision affirmed the judgment of the supreme court of the state, which sustained a conviction of the plaintiff for violating the statute. The Supreme Court points out the obvious distinction between the regulation of signs permanently located in the state and of newspaper advertising which may move in interstate commerce, and intimates that advertising which is thrust upon the attention of the public may well be put into a separate class for purposes of police regulation. Under this decision, the states may prohibit any billboard advertising of articles such as tobacco that may be otherwise regulated under the police power.

In the second case, *Perlmutter* v. *Greene*, 234 App. Div. 896, 254 N. Y. S. 542, the New York Appellate Division, Second Department, affirmed a judgment of the lower court, enjoining the state superintendent of public works from cutting off the public view of billboards on private property by the erection of lattice work on the side of the highway as it approaches the Mid-Hudson Bridge. This decision was by a divided court and apparently involved some question as to whether such power had been delegated to the commission. There was no question raised, however, as to the lawfulness of the signs or as to whether the legislature might not subject them to regulation as to location, size or structural details. The same court had previously upheld an ordinance limiting the size and location of signs, erected near the highway to advertise the sale of the property (*People* v. *Wolf*, 220 App. Div. 71). The decision raises the nice question whether the planting of shrubbery along the highway for ornamental purposes would come within the purview of the decision if it should result in screening the view of neighboring property. We do not believe that such an improvement of public property, even though primarily for aesthetic purposes, would come within the principle of the ban in this case, where the facts indicate that the only purpose of the commission was to make invisible lawful signs erected upon their property by the adjoining owners.

It would seem that the method of attacking the billboard evil along the public highways, now under consideration by the National Council for the Protection of Highway Beauty, gives unusual promise of success. This plan is to induce the owners of lands along a projected state highway to convey to the public an easement against billboard construction, an easement which will run with the land appurtenant to the highway and include a license to the state officers to enter at any time and remove such obstructions. This right within reasonable bounds may be easily obtained where the power to purchase such lands is exercised or where lands are taken by eminent domain. It is probable that in most instances where the highway is already established the owners may be induced by a campaign of education to realize that the value which will accrue to their lands from such an arrangement will more than compensate them for voluntarily conveying such an easement to the public.

Some highway authorities, as the Westchester County Park Commission, have felt compelled to acquire the fee of adjoining lands to protect their boulevards from unsightly structures. The acquisition of an easement as above suggested is a far less costly solution of the problem and we understand that in at least two states, Michigan and Oklahoma, the state highway commissions are making efforts to have such grants included in all conveyances of land for highway purposes. Whether the desired protection may be accomplished by a resort to the police power is still an open question, but the decision of the Supreme Court in the Utah case indicates that there is a broadening field within which the state may exercise its power of regulation to lessen, if not to eliminate entirely, the baneful effects of indiscriminate roadside advertising.

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[1] Tombstone v. Macia, 30 Ariz. 218, 245 Pac. 677; Holton v. City of Camilla, 134 Ga. 560, 68 S. E. 472; Denton v. Denton Home Ice Co., 119 Tex. 193, 27 S. W. (2d) 119. *Contra:* Union Ice Co. v. Ruston, 135 Ala. 898, 66 So. 262. In Arkansas as well as Oklahoma the courts had upheld the regulation of the ice business as a public utility; Bourland Ice Co. v. Franklin Utilities Co., 180 Ark. 770, 22 S. W. (2d) 993.

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Municipal Airports.—Liability for Negligence in Operation.—The great wave of municipal subsidy to aviation which the past few years took in the form of the establishment of publicly owned airports in so many of our cities has received a decided check because of the current depression. One discouraging element in the cost of maintenance of such enterprises is the liability arising from negligence of municipal agents or concessionaires. In all states a municipal corporation is held to a common law liability in tort where it carries on any function as a business enterprise or derives a substantial revenue from its operation.

In *Mollincop* v. *City of Salem*, 8 Pac. (2d) 783, the Supreme Court of Oregon holds the city subject to tort liability for injuries received by the plaintiff in being thrown to the ground by a wire string along the entrance of the airport. It seems that the city employed one Eyerly for a term of two years to superintend the field under rules and regulations to be established by the city. Among the plans adopted to raise revenue was a series of aeroplane flights at the cost of one cent a pound, which were patronized by large crowds. As plaintiff with child in arms attempted to step across the wire obstacle which held the crowd back from the weighing machines, the wire was pulled up by some unknown person and she was thrown violently to the ground. The negligence of the management consisted in failing to provide any proper opening for the people invited to patronize the show.

The operating cost of municipal airports due to the nuisance damage to adjoining property or the negligence of employees resulting in injuries to visitors is so serious an item that in at least four states, Wisconsin, South Carolina, Texas and South Dakota, statutes have been passed exempting municipalities from such liability. We cannot help concluding, however, that such enactments are to be regretted. For the protection of the public, municipalities engaged in aviation or in any other commercial industry should be held to the same standards of conduct as private corporations. Upon the general question of the liability of cities in the operation of airports, the reader may be referred to the notes in the May, 1930 number of the Review (Vol. XIX, p. 318).

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Special Assessments.—Direct Liability of City—Validation of Defective Proceedings.—The Supreme Court of Kentucky in *City of Covington* v. *McKenna*, 46 S. W. (2d) 760, reaffirmed the established rule which prevails in that and in many other jurisdictions that the municipality may become directly liable to a contractor on public improvements in an action for damages, although the contract calls for payment to be made from the fund to be raised by special assessments, if it neglects to take the necessary steps to collect the same. This remedy is an alternative to the right to petition for mandamus to compel the proper officers to make and collect the special assessments.

In those states which do not subscribe to the doctrine of direct liability, as above stated, the problem of maintaining the municipal credit devolves in such cases upon the legislature. In Alabama, for example, a recent decision of the state Supreme Court, *Newman* v. *City of Opelika*, 139 So. 247, illustrates how such problems may be met. The courts of Alabama hold that a city will not be liable for the negligence of officers in collecting a special assessment fund. The statutes also exempt cities from direct liability when such funds have been diverted and limit recovery by the one entitled to be paid therefrom to an action against the officers responsible and the sureties on their official bonds. But the state legislature by an act passed last year (Gen. Acts 1931, p. 206) provided: "That all bonds, warrants, notes and other written obligations or evidences of debt heretofore issued for value by cities, towns or counties in the State of Alabama, that are not contrary to the provisions of the Constitution of Alabama or of the United States of America or barred by the Statute of Limitations of the State of Alabama be and the same are hereby validated and declared to be the binding obligations of the city, town, or county issuing the same."

Under the terms of this broad validating act, the court decides that the holders of special assessments bonds where the funds to meet them have been diverted to other municipal purposes may recover thereon in an action against the city. The example of Alabama might be followed to advantage by some of the other states in which the municipalities have recently taken refuge in technical defenses to escape the payment of obligations issued by them and sold to confiding investors.

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Zoning in New Jersey.—Enforcement of Ordinance by Injunction—Replacement of Old Buildings.—Two recent New Jersey decisions bearing upon the problem of the enforcement of zoning restrictions have recently been reported. In *Srager* v. *Mintz*, 109 N. J. Eq. 544, 158 Atl. 471, the Court of Errors and Appeals had before it for consideration the nice question whether the jurisdiction of the court of chancery of that state could be invoked to enforce a zoning ordinance by injunction. The defendant Mintz had obtained a permit in 1928 to make alterations to a garage building on the rear of his lot in the city of Plainfield and had permitted the other defendants to use it as a poultry slaughterhouse. No allegations were made in the petition that such use constituted a nuisance injurious to the property of the plaintiff, but relief by injunction was sought solely upon the ground that the use of the garage for business purposes was a violation of the city zoning ordinance. In affirming the judgment of the court below dismissing the bill, the court points out that the common law powers of a court of chancery do not extend to the prevention of the commission of crimes or the violation of statutes, unless it is also alleged and shown that the acts of the defendants will result in injury to property. In the instant case, so far as appeared by the petition, the use of the property as a slaughterhouse constituted no invasion of the rights of others and legally would be unobjectionable except for the ordinance in question. The decision follows *Ventnor City* v. *Fulmer*, 92 N. J. Eq. 478, 113 Atl. 488 (aff'd 93 N. J. Eq. 660, 117 Atl. 925) to the effect that equity will not enforce municipal ordinances by injunction unless the act sought to be restrained is a nuisance.

The second case, decided by the state Supreme Court, *State ex rel. Mongiello Bros., Inc.* v. *Board of Commissioners of Jersey City*, 158 Atl. 325, bears upon the right of city authorities to refuse a permit for the erection of a business building upon the ground that the district in which it is to be situated is about to be restricted to residence use by a zoning ordinance. The relators proposed to replace an existing building on their property used for the manufacture, storage and distribution of ice with a new structure to be used for the same purpose. In allowing a writ of mandamus to compel the commissioners to grant the permit the court says that even if the proposed zoning ordinance be passed the relator would have the right to continue the existing use and to erect a new building to take the place of the existing structure.

This decision follows the weight of authority of those cases decided within the past few years where questions bearing upon the right to a continuing use have been raised. So long as the proposed replacement improves the existing conditions as related to the objects of the police power, the local authorities may not restrict the owner's rights by denying him a permit (see: *Gilfillan's Permit*, 291 Pa. 358, 140 Atl. 136; *Washington ex rel.* v. *Roberge*, 278 U. S. 116).

PUBLIC UTILITIES

EDITED BY JOHN BAUER *Director, American Public Utilities Bureau*

Conference on Regulation.—The growing interest in public utility regulation took pointed shape in the Conference on Regulation held at the Hotel Pennsylvania, New York City, April 8 and 9. This was a natural development among those interested in utilities from the public standpoint. It was due, however, more particularly to the active leadership of Morris L. Cooke, who in 1916 had similarly brought together the noted Conference on Valuation in Philadelphia. The call was signed by eleven others. The attendance was by invitation. It included only persons who, either through official position, research, writing or otherwise, had reached a recognized position on the public side in the utility field—leading commissioners, lawyers, economists, engineers and publicists, about one hundred and fifty persons altogether.

The conference was organized on the round table basis, including the topics which are foremost in the public consideration of regulation. The object was definitely to bring together the best experience and opinion, and to formulate as definitely as practicable, a program for effective regulation. The discussions included the following topics: The Holding Company Situation, Federal Regulation, Valuation, Coördinating Reforms in Classification of Accounts, Domestic Electric Service, Improvement in Regulatory Technique, and Cost Finding.

For each of these topics, there was a leader who outlined the present problems and he was followed by several speakers who had prepared papers on sub-topics. The formal presentation was then followed by free discussion, which was unusually critical and constructive. The present difficulties were presented and the various remedies considered. At the close of the conference, the following report was presented by the Policy Committee, which had been especially appointed to give concrete form to the criticisms of existing conditions and to recommendations for changes in the present system:

REPORT OF POLICY COMMITTEE

Regulation, as now generally administered, has failed to protect investors in public utility securities against the loss of billions of dollars resulting from unsound methods of valuation and financing. It has failed to secure for the small consumer rate reductions corresponding to the decline in prices and wages or the technical trend toward increased domestic use. It has failed also to safeguard the credit of the companies placed under its supervision and control.

ANALYSIS OF EXISTING REGULATION

Effective regulation of public utilities has been progressively weakened as a result of the definite policy of evasion imposed upon the industry by promoters who control public utilities in the interest of speculative profits derived from manipulation of their securities. Today it falls far short of achieving adequately its three major objectives, which are:

1. Protection of the consumer's right to enjoy rates which enable him to afford the fullest possible use of public services, consistent with the operation of the industry on a sound economic basis.

2. Protection of the investor against losses resulting from manipulation of the capital structures of utility companies by financial operators.

3. Protection of the credit of public service companies in order to assure at a minimum cost, the new capital necessary for additions and extensions to their facilities.

Evidences of the failure of regulation to meet these requirements may be briefly enumerated as follows:

1. *Retail rates*, especially for electrical energy, which are not based on the true cost of providing this class of service, but instead are made to bear the brunt of assuring the company a so-called "fair return" on such valuation as it is able to establish in the courts for its entire property used in the service of all classes of consumers.

2. *Valuation* on the basis of so-called "fair value," which represents no real standard for rate making at all, but enables the companies to justify and legalize almost every type of unearned increment, tangible and intangible, which accrues to unregulated monopoly.

3. *Accounting*, which tends to conceal and distort rather than to reveal the essential facts upon which rates, service and security issues are predicated and which in important particulars reflects the position of the public utility industry that these accounts should not hamper the management in stating results of operations in such a way as most effectively to promote their financial interests.

4. *Holding companies*, outside of regulatory control, which encourage uneconomic forms of consolidations, facilitate stock watering, capital inflation and similar forms of misfinancing, make possible secrecy of corporate accounts, permit inflation of costs through charges of service companies, and in general serve as a device for avoiding all forms of regulation and publicity designed to protect the investing interests of those who dominate the companies.

5. *Court procedure*, which permits the utilities to appeal the decision of state regulatory bodies directly to the federal courts before exhausting their remedies in state courts and which constitutes a perpetual threat of long drawn out and costly litigation thus tending to curb the initiative of commissions in prosecuting actions in the public interest.

6. *Regulatory technique* which today tends toward the conception of a public service commission as a court which simply waits for issues to be raised rather than as an administrative body designed to provide the people with a positive control of their monopolistic public services.

RECOMMENDATIONS

Unless the trend represented by the above analysis can be reversed, and effective regulation established, we may look forward to a shift of public opinion toward other methods of assuring public services at reasonable prices, with the probability that this will mean increased emphasis on public ownership and operation.

To remedy the defects which we have enumerated and to reassert the public interest in utility regulation, we recommend:

1. *Development and adoption of a technique of regulation* in accordance with which public service commissions will operate as effective administrative bodies charged with safeguarding the public interest. This will include provision for the initiation by the commissions of rate changes and other constructive stops in the interest of consumers on the basis of aggressive fact finding.

2. *Establishment by law of the prudent investment principle of valuation* as the public policy of the nation and the states for purposes of rate control. By this we mean the actual investment except where affirmatively shown to have been imprudent or illegal, less actual depreciation representing loss of service life through use, inadequacy or obsolescence.

3. *Rate determination on the basis of actual cost of each class of service* including a fair profit on the capital required for such service. This will necessitate accurate ascertainment of costs properly allocated to the various classes of service. In the fixing of electric rates it will take full account of the possibility of developing domestic consumption to the point where it will have the best load factor through schedules adjusted accurately to the diminishing unit cost of increased average use.

4. *Revision of the present uniform classification of accounts* to serve as a guide in establishing the equities of the various rates as well as of total earnings. The object will be to secure a system of accounting which (a) positively and accurately reveals the true financial status of the reporting organization; (b) so classifies expenditures relating to fixed capital, operation, maintenance and financing, etc., that the costs of the respective functions and of the various classes of service can reasonably be deduced directly without further analysis of original vouchers, and (c) classifies revenues as specifically received from the various priced services or other sources.

5. *Federal incorporation of holding companies* with adequate control over their security issues and requirement of uniform accounting and periodic disclosure of their financial operations.

In so far as utility holding companies or their affiliated or subsidiary corporations, whether within or without the states, have transactions with an operating company subject to the control of a state commission, said commission should have all necessary powers to determine the reasonableness of the charges made for services or commodities which affect rates to consumers and to forbid such transactions as may injure the credit of the company.

6. *Withdrawal of the powers of the lower Federal Courts* to review and nullify the decisions of state public service commissions, leaving the protection of constitutional rights to the state courts, and, ultimately, to the United States Supreme Court.

7. *Provisions for publication by the State Commissions* of a regular bulletin designed to distribute in popular form data on rates, costs, net earnings, etc., gathered by the staff. This bulletin might follow the general lines of the employment and wage statistics published monthly by various state labor bureaus.

8. *Authorization of municipalities*, after referendum vote of their citizens, to build or acquire by condemnation and operate public utility plants and distribution systems, and to form power districts for the same purpose, without securing certificates of convenience and necessity from a public service commission.

9. *Provision for national and state power planning* either by existing commissions or by special boards, so that future developments may be economically sound and in accord with the needs of the people.

We are convinced that an adequate approach to the problem of strengthening regulation must not only extend its control to all business interests primarily concerned with utility financing and operation but must also render regulatory practice more effective through clarification rather than by multiplying machinery and increasing its cost.

This implies the appointment of commissioners and the selection of members of their staffs on the basis of competence and public zeal rather than political preferment.

We are further convinced that, in all matters relating to operating companies, the regulatory power should be centered in the states acting either separately or through agreements. Where joint action is necessary it should be facilitated by federal legislation along the lines suggested in the Couzens bill.

To the end that this program may be made effective, we recommend that this conference create an agency to continue the activities here begun.

Respectfully submitted,
Frank P. Walsh.
Chairman, Policy Committee,
Round Table Conference on Regulation.

This report was received by the members of the conference for study and future consideration. It was not formally adopted as the accepted program of the conference because some individuals, due to official position, could not practically join in the statement and there was considerable difference of opinion on special matters. In the final issuance of the report, moreover, the committee was left free to make modifications so as to eliminate possible overstatements and literary defects due to hurried preparation.

It is probably correct to state that outside of members of commissions, the report is supported by the consensus of opinion of the conference. The feeling appeared quite general that the expressed criticisms of existing regulation and the proposals for more effective future regulation, are in the main correctly stated.

Besides the items included in the report as submitted by the committee, there was added a paragraph at the suggestion of Professor W. Z. Ripley of Harvard University, that provisions for standard accounting and publicity of accounts should stand foremost in the control of holding companies, for such provisions could be more readily attained than for the other proposals. The program as a whole stands as the first definitive outline adopted in concerted action by competent people and placed for consideration before students, commissions and others interested in proper standards of regulation. It should be the beginning of organized action to bring about legislation to take regulation out of the present chaos in which it has been floundering these many years.

A continuation committee, with Professor James C. Bonbright of Columbia University as chairman, was appointed to arrange for future meetings. The proceedings will probably be published and copies can be obtained by addressing Mr. Morris L. Cooke, 1520 Locust Street, Philadelphia, Pa.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER · *Virginia Bureau of Public Administration*

Trolley Buses in Nottingham.—Life has continued apace at Nottingham since Robin Hood won the Sheriff's silver arrow with the golden tip and presented it to the lovely Maid Marian upon the village's historic green. A tramcar now half-hourly wends its way through Sherwood Forest, where once the Merry Men held full sway. Even this almost-contemporary of Robin is destined soon to disappear, and be supplanted by a trolley bus.

The Nottingham Corporation Act of 1930 authorized the displacement, over a period of some eight years, of the existing transit facilities of the city, and the installation of railless trolley buses as the tramcars become obsolescent in various parts of the municipality. Mr. W. G. Marks, writing in *The Electric Railway, Bus and Tram Journal* for February 12, discusses the reasons which led Nottingham to select trolley buses for the new Nottingham transit plan.

Nottingham, like many other provincial English cities and towns, does not have roads of adequate width to permit tramcars to be operated along a private right-of-way, and therefore, so long as tramways remain in the street, they necessarily must considerably obstruct other vehicular traffic, which, owing to the development of motor cars, has accelerated enormously since the days when tramways were first installed. Likewise, the danger of boarding and leaving tramcars, involving the crossing of a traffic lane of from 10 to 25 feet in width, became increasingly obvious, and was not to be solved except by measures which would slow down motor traffic to an unbearable degree. Finally, if the tramcars were to be retained, they would have to be modernized, and this would involve a heavy capital expenditure. So it was decided to eliminate tramcars.

Consideration was then paid to the relative advantages of gasoline buses and trolley buses. Decision was finally made in favor of electric buses because: (1) a considerable part of the overhead equipment was readily adaptable for trolley bus uses; (2) the electric energy, which constitutes an important part of the output of the Corporation Electricity Works, is an all-British product; (3) the complete absence of noise and atmospheric contamination, due to the elimination of engine and gears, was more acceptable to the riding populace and to the people generally; (4) the rapid acceleration possible with an electric drive permits a much higher average speed along heavy traffic routes.

Up to the present time 7 route miles of tramways have been converted and 2.25 miles of new trolley bus equipment installed upon what was previously a gasoline bus route. This comprises five routes radiating from the center of the city. Seven main tramway routes comprising 19.5 route miles remain to be converted and 2.91 route miles of new equipment to be installed. It is expected that conversion will proceed at the rate of about 3.5 route miles yearly.

Little consideration has been paid to the economies in street maintenance and pavement life which German experience has indicated may well be expected from trolley buses. Continental buses are, on the whole, much lighter than the English electric buses. Recent Nottingham purchases have been double-decked 60-seaters mounted on pneumatic tires. Air brakes have been substituted for electric braking, and considerable weight eliminated by this means.

The Nottingham buses are all two-man machines, and the operating cost is raised proportionately. All in all, the Nottingham project cannot be regarded as having cheap transportation for its objective, and it is doubtful whether its operation will provide examples of economies comparable with those of continental cities which have adopted this form of public transportation.

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Austrian Cities in the Financial Crisis.—Dr. Carl Honay, secretary of the *Oesterreichische Städtebund* writing in a recent issue of *L'Administration Locale* discusses in a very interesting manner the fiscal conditions of local governments in German-Austria during the present financial crisis.

He points out that the dire financial straits in which Austrian local government generally finds itself at present is due to the limited sources of its revenue. The localities have been given no new revenue sources during the depression, and while the taxes from the customary sources have been declining steadily, expenditures in behalf of unemployment relief have been regularly mounting.

The most important sources of Austrian local government revenue are the municipal surtaxes, which are amounts assigned by the state from the income of the regular state taxes, and the tax on wages. This latter wage tax is about the only revenue source in which there is even normally any elasticity, and economic facts have at the present time eliminated the elasticity in this source which is possible at law. In consequence many communes are faced with the problem of carrying on added services, extending existing services, and maintaining virtually all the functions which have been regularly performed with the prospect of revenue shrinkages of from 25 to 40 per cent. Furthermore, the Austrian government has shown no tendency to assist in relieving the communes of their overwhelming financial burdens with the single exception of a resolution of the National Council passed at the end of last year which provided for a three million schilling subsidy for aid during the winter months. This crisis subsidy was, of course, a mere bagatelle as far as substantive relief is concerned.

Drastic programs of economy and retrenchment have been entered upon by practically all of the communes. Dr. Honay comments that many of these economy programs have not seemed to be particularly well formulated. Vienna in particular has been, in his opinion, quite ruthless and not too rational in its budget slashing. Road construction, waterways, canals, school buildings and capital improvements generally have been virtually entirely eliminated from immediately prospective budgets. In many phases of social work, and regrettably in child welfare, drastic reductions have been made. Tuberculosis clinics, hospitals, a child-care institution, and three schools have been closed, while several projected public playgrounds and open-air baths for children will not be proceeded with.

Salary reductions also have been the order of the day. In the larger local administrations employees are, as usual, compensated at a somewhat higher rate than are those of the state. The government has laid before the National Council a bill establishing identical salary scales for state and local employees and penalizing the non-observance of this statute by an equivalent confiscation of the municipality's portion of the assigned state taxes. This proposal was refused, however, and the matter of salary reductions is still suspended, contingent upon agreement between the associations of employees and the several local governments. In the event that satisfactory negotiations are not forthcoming salary reductions will be made with retrospective effect as of October 1, 1931.

The Austrian Municipal League has analyzed the problem of municipal finance and has taken the position that the localities cannot and will not be helped by slashing the budget for their essential services or by drastic salary reductions. The major item in many Austrian local budgets at the present time is debt service. For short-term loans municipalities in Austria must pay at the rate of approximately 12 per cent. The *Städiebund* has suggested the refunding of these short-term notes into long-term bonds which would pay 7 or 8 per cent interest, and in so doing has provoked much discord between the Vienna Provincial Mortgage Bank, which is prepared to assist materially in handling this transaction, and the other mortgage banks of the country which are opposed to such refunding. The government has favored the position of the mortgage banks not desiring to refund present communal short-term obligations. Consequently the Vienna bank is prevented by the government from refinancing practically all of the communes, while the localities are themselves forced to borrow still more at the rate of 12 per cent or more.

The *Städtebund* has also endeavored to persuade the central government to give the localities a proportion of new state taxes which have been recently imposed. Added income taxes, special sales taxes, a tax on bachelors, and a new motor fuel levy are among the taxes recently introduced. The government has refused to share this with the communes. The plea of the communes to increase the rate on buildings and improvements was also disallowed by the central government.

Meanwhile the central government has balanced the national budget satisfactorily without doing anything noteworthy toward the relief of communal fiscal difficulties. Dr. Honay is of the opinion that this continued neglect possibly may necessitate a change in the policy forming personnel of the national government.

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Personnel Expenditures in Europe.—M. Angelos Angelopoulos has, in a recent issue of the *Revue de science et de législation financières*, written a very interesting article on Fiscal Charges and Public Expenditures, a considerable portion of which relates to expenditures for the civil personnel of the governments of Germany, France, England and Italy. While M. Angelopoulos is cognizant of the many opportunities for error in the classification which he has made of public expenditures and of the even greater danger of interpreting these statistics generally without regard for the great variations in governmental devolution in the several states, he is confident that the statistics presented in this article, and which are reproduced in part here, are valid as far as they go.

Eliminating all military charges it is noted that in Germany the proportion of the total budget which goes for personnel is 65.5 per cent; in France 72 per cent; in England 67.5 per cent; and in Italy 60.2 per cent. These figures, however, do not indicate that France, for example, has necessarily a superior governmental personnel or that on the whole it is more generous in its compensation of public employees. In illustration of this point M. Angelopoulos indicates the increase in expenditures for personnel in the years between 1913 and 1930. These expenditures are calculated in pre-war francs. It is revealed that in 1913 the following nations spent for civil personnel the following sums in millions of francs: Germany, 1,164; France, 1,465; England, 1,260; Italy, 542.

In 1930, on the other hand, the respective expenditures were: Germany, 4,458; France, 2,470; England, 4,388; Italy, 1,293.

This indicates that the expenditures for personnel have actually increased far more in Germany and England than in France. Germany, for example, increased 284 per cent, England increased 250 per cent, Italy increased 142 per cent, while France though leading the list in the proportion of its total civil budget paid for personal services increased only 80 per cent. Consequently these statistics, while certainly not lending themselves to any general conclusions, could be as well interpreted to mean that France has been consistently parsimonious in its expenditures for *materièl* as that Germany is not willing to compensate her employees as generously as France.

A very interesting relationship between the central and local personnel is indicated in the figures at the foot of the following table:

Service	Germany	%	Per M pop.	France	%	Per M pop.	England	%	Per M pop.	Italy	%	Per M pop.
Public Safety	155,311	16	4.9	78,000	14	3.7	63,300	14	3.3			
Justice	83,177	9	2.6	14,500	3	0.7	9,500	2	0.5	35,700	5	1.8
Education	296,095	32	9.2	154,500	26	7.3	214,000	46	10.2	189,600	25	9.7
Financial Administration	124,795	10	3.9	60,900	11	2.9	21,700	5	1.1			
General Administration	276,890	33	8.6	260,700	46	12.4	154,400	33	8.9	527,000	70	26.8
Total	936,268	100	29.2	568,600	100	27.0	463,100	100	24.0	752,300	100	38.3
Central Administration	505,767	54	15.8	318,200	56	15.1	113,000	24	6.0	752,300	100	38.3
Local Administration	430,501	46	13.4	250,400	44	11.9	350,100	76	18.0	......	...	....

The complete centralization of Italian local government eliminates the possibility of comparative statistics with reference to local and central employees. In Germany however there are almost as many local employees as there are employees of the national government. In France the percentage is somewhat lower. In England on the contrary the local functionaries are over three times as numerous as those of the central government.

The statistics relating to the employees in the different branches of government are definitely more useful for comparative purposes inasmuch as they tend to minimize the discrepancies due to administrative devolution. Here, however, the peculiar arrangement and classification of Italian personnel largely eliminates any significant comparisons being made which would include Italy. The statistics of the tables speak very largely for themselves. They indicate considerable constancy as between Germany, France and England. Germany leads, of course, in the proportion of its total personnel devoted to public safety as well as the proportion devoted to justice. England leads in the number of educational employees, these comprising almost half of its total personnel, while France in this line runs a very bad third, being almost identical with Italy. Germany and France lead in the proportion of their personnel devoted to financial administration, while the extreme bureaucracy of the entire French administrative structure is revealed by the fact that almost half of its employees are utilized for purposes of general administration or what would be termed in this country, "staff functions."

These statistics, while extremely interesting, indicate as M. Angelopoulos admits, only the things which everyone knows already about the governmental structure of the countries covered. The *rapporteur* comments upon the variation in educational personnel by explaining that in France and Italy and to a lesser degree in Germany private and parochial education still obtains. It might be pointed out further that the divergence in public safety personnel percentages may be less due to the heavy policing in Germany than to the extensive use of volunteer fire brigades and the more or less voluntary local rural constabulary in England. The writer seems convinced that England's personnel percentages are on the whole more valid and explainable than those of France and Germany and certainly those of Italy. The statistics relevant to Italy lend considerable color to the assertions made by several American writers that the Fascist régime is engaging in a considerable amount of log-rolling. Germany has traditionally been governmentally overmanned and the large number of the civil personnel is somewhat less significant for that fact. At the same time M. Angelopoulos is of the opinion that the civil personnel statistics perhaps may be construed into a concrete illustration of the politicizing of the administration over and above the degree to which they reflect the administrative structure and the mode of government of the several states.

NOTES AND EVENTS

Trial of Pittsburgh Mayor Makes Slow Progress.—So far the trial of Mayor Kline of Pittsburgh has been nothing but delays and postponements, though interesting and unusual ones. The indictments for malfeasance in office were returned last June, but at once the September primaries intervened; then it seemed the trial would take place during October; next the district attorney promised it "before Christmas." This turned out to be legal terminology for January 19. Was it feared the Christmas spirit might unduly influence a Pittsburgh jury?

In the meantime an unusually bitter primary campaign, enlivened by a courageous press, convinced the Kline counsel that a change of venue would be desirable and perhaps obtainable. While the trial was held in abeyance, an appeal to the state supreme court was heard, and on January 20 the seat of the trial was transferred to the adjoining county of Butler. How unusual: An American court declaring that a public official cannot get a fair trial in his own jurisdiction. President Judge Finletter of Philadelphia County was assigned to the case. Later the Butler County court set the trial for March 14.

Butler officials kept the panel secret until February 15. However, mysterious interviews with members of the panel were reported even previous to that time, and the Butler district attorney ordered an investigation. Early in March, tampering seemed evident. An immediate grand jury investigation was ordered. On the third day of the inquiry the jury recommended indictments on conspiracy and embracery charges against eight persons, including a Butler County clergyman, the wife of a Pittsburgh city detective, a Pittsburgh city employee, and a wealthy Allegheny County contractor.

On the day previous to the return of the indictments (March 12), Judge Finletter, who had already arrived for the trial called for March 14, postponed the case until May 2. Neither the prosecution nor the defense objected. The judge declared that an unbiased jury could not be chosen from the panel of 66, most of whom had been called before the grand jury in the "fixing" inquiry.

It has not been publicly alleged that the mayor is himself implicated in the plot—direct orders of a political boss are not necessary in such circumstance. During the present mayor's term of office, Seattle and Detroit have recalled unpopular executives, but Pittsburgh government remains in the hands of indicted, unpopular "King Charlie." Only conviction in the slow-moving courts can give Pittsburgh any relief in this direction before January, 1933.

Elbert Eibling.

University of Pittsburgh.

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National Recreation Association Dissents from Committee Report on Standards of Play and Recreation.—George D. Butler of the National Recreation Association has submitted the following letter as the Association's expression of opinion with reference to the report of our Committee on Play and Recreation Administration which appeared as a supplement to the National Municipal Review in August, 1931.

To the Editor of the National Municipal Review.
Sir:

In the report which you have published, "Standards of Play and Recreation Administration," a certain standardized plan of administration for recreation in American cities is set up as the ideal—the administration of play and recreation for children of school age by the schools, the administration of play and recreation for those beyond school age and of preschool age by the municipalities.

The experience of the Association gained through periodic field visits to more than six hundred communities throughout the country has led our Board of Directors and our staff members to feel strongly that it is desirable that all of the school facilities and all of the park facilities and all other local facilities be utilized as far as possible for the play and recreation of the people, but conditions have been found so different in different communities that it has not seemed desirable to attempt to set up a single standard form of administration as the ideal and advocate this as the plan toward which all communities should work.

Representatives of the Association have carefully studied the report and supporting data and do not feel that the data presented fairly represent the true situation.

At this particular time it is perhaps more important to help maintain the play and recreation centers which have been built up in our American cities during the last twenty-five years than to enter into an involved detailed discussion of the problem of recreation administration. At the same time, if any readers of the NATIONAL MUNICIPAL REVIEW wish to go carefully into this question, detailed facts and material on which the Association bases its judgment are available at the office of the Association, 315 Fourth Avenue, New York City.

GEORGE D. BUTLER.

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Congressional and Legislative Redistricting in Washington.—The division of the state of Washington into six congressional districts, in order to provide for an additional representative apportioned to the state as a result of the latest federal census, has raised no constitutional question as to the competency of the legislature to act as an independent body in such matters. The redistricting act was passed in due form and approved by the governor on March 9, 1931. But the new apportionment has shown the need of reforming a legislature which for years has been dominated by overrepresented rural counties. Five of the six recently created districts are overrepresented and one, the district in which is situated the city of Seattle, is greatly underrepresented. Since the present population of Washington is 1,563,396, each representative of the state ought, under ideal conditions, to sit for 260,566 inhabitants. As a matter of fact, the first congressional district (comprising the city of Seattle and Kitsap County) has a population of 396,359. In the other five districts the number of inhabitants varies from 209,433 (fourth district) to 250,064 (fifth district).

An excessive representation of the rural counties has been maintained in the state legislature also because that body has refused to abide by the provisions of the state constitution. This neglect of duty can be explained in part by sectional rivalry, but in much greater part by widespread jealousy of the rapidly growing city of Seattle. Although the constitution has required from the beginning that a decennial state census be taken (the first in 1895), and that a redistribution of legislative seats be made after each state and each federal enumeration, no state census has ever been taken, and from 1901 to 1930 there was no reapportionment of legislative seats. In the meantime population was concentrating in the upper Puget Sound Basin. But the "cow-county" bloc, which completely dominated the legislature, turned a deaf ear to all the requests of Seattle for a just representation.

In 1930, however, it appeared that a way out of the difficulty had been found. In that year Initiative Measure No. 57, providing for a general reapportionment of legislative seats, was carried by the slight majority of 795 votes. Though largely sponsored by Seattle, this was a moderate measure, the justness of which no one could deny. Under its provisions the members of the 1933 session of the legislature will be elected.

Yet this victory has not effected the final overthrow of the "cow-county" bloc. In 1931 this organization carried through the legislature a proposed amendment to the constitution, which, if adopted, will nullify the provisions of Initiative Measure No. 57. This proposed amendment would provide for a decennial redistribution of legislative seats by executive proclamation if the legislature should fail to act, but would prevent any county from acquiring more than 21 per cent of the membership of the house and would insure at least one representative to each county. The import of this is clear when one observes that King County, of which Seattle is the seat of government, now contains virtually 30 per cent of the population of the state and that there are fifteen rural counties which have populations of less than 10,000 each. In a house of ninety-eight members, with the inhabitants of Washington numbering 1,563,396, a representative should sit for 15,953 persons.

If this measure should be approved by the electorate next November, the "cow-county" bloc would receive constitutional sanction for an unjust representation which it has heretofore maintained notwithstanding the fundamental law of the state. Government based upon a system of rotten boroughs would be sanctioned. And in its constitutional stronghold the "cow-county" bloc would be secure, for the electorate cannot initiate amendments to the constitution of Washington.

J. Orin Oliphant.

Antioch College.

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Michigan Appraises Local Rural Government.—An all-day conference on problems of local rural government was held on March 18, at Ann Arbor, under the auspices of the History and Political Science Section of the Michigan Academy, Arthur W. Bromage, chairman. In the morning Clarence L. Ayre, chairman of the State Commission of Inquiry into County, Township, and School District Government, heard progress reports from Dr. Lent D. Upson, director of the survey, and from those in charge of functional studies. Considerable progress was made in the selection of typical counties to be surveyed under the direction of Professors Reed and Bromage. Professor Jesse S. Reeves introduced Dr. William A. Robson of the London School of Economics and Political Science to some seventy present at the luncheon session. After pointing out that England had problems both of local and national government, Dr. Robson proposed that general local governmental agencies form interlocking directorates to control functional districts serving regional needs.

Professor Paul W. Wager, in treating the current developments in local rural government in North Carolina and Virginia, emphasized the relief furnished to the general property taxpayer by state assumption in North Carolina of the six months' school term and the county road system. He urged county consolidation as the next major step to economy.

Professor Thomas H. Reed presided at the afternoon session devoted to the Michigan situation. Professor Arthur Lyon Cross told of Michigan's inheritance from local rural government in Old and New England. Dr. Upson outlined the aims and organization of the State Commission of Inquiry. Harold Smith discussed the functions of a state league of municipalities, with emphasis upon the work of the Michigan Municipal League. An attendance of more than one hundred persons at this session was apt testimony to the growing interest in county and township government in Michigan.

* * *

Another Good Billboard Decision.—The case of *The Packer Corporation* v. *State of Utah*, decided February 23, 1932, by the United States Supreme Court gives further encouragement to the fighters against the billboard blight.

The decision affirms the constitutionality of the Utah statute (L. 1921, Chap. 145, §2, as amended by L. 1923, Chap. 52, §2, and by L. 1929, Chap. 92) making it "a misdemeanor for any person, company or corporation to display on any billboard, street car sign, street car, placard, or on any other object or place of display, any advertisement of cigarettes, cigarette papers, cigars, chewing tobacco, or smoking tobacco," etc., and disposes of the contention that, because the posters or cards are shipped in from outside the state, the display of such advertising is interstate commerce or is beyond the police power of the state to regulate or prohibit. "The prohibition is non-discriminatory, applying regardless of the origin of the poster. Its operation is wholly intrastate, beginning after the interstate movement of the poster has ceased."

But to opponents of the billboard nuisance the chief interest of the decision will lie in the new ground recognized by the Supreme Court for placing outdoor advertising in a class by itself, subject to its own special regulations and controls, regardless of whether or not similar restrictions or prohibitions are placed on other advertising media.

Quoting with approval from the opinion of the Supreme Court of Utah (297 Pacific Rep. 1013) Justice Brandeis, writing for a unanimous court, says:

> Moreover, as the State Court has shown, there is a difference which justifies the classification between display advertising and that in periodicals or newspapers: "Billboards, street car signs, and placards and such are in a class by themselves. They are wholly intrastate, and the restrictions apply without discrimination to all in the same class. Advertisements of this sort are constantly before the eyes of observers on the streets and in street cars to be seen without the exercise of choice or volition on their part. Other forms of advertising are ordinarily seen as a matter of choice on the part of the observer. The young people as well as the adults have those of the billboard thrust upon them by all the arts and devices that skill can produce. In the case of newspapers and magazines, there must be some seeking by one who is to see and read the advertisement. The radio can be turned off, but not so the billboard or street car placard. These distinctions clearly place this kind of advertisement in a position to be classified so that regulations or prohibitions may be imposed upon all within the class. This is impossible with respect to newspapers and magazines."

In other words, the fact that the public cannot escape from outdoor advertising or advertising in public vehicles, or escapes with difficulty, is enough to justify special restrictions upon such advertising which are not imposed upon other forms. Those who "thrust" advertisements upon the public willy-nilly create automatically a new and additional ground for their own restraint. Obviously a decision in accord with common-sense and the realities of the situation.

This case, indeed, adds two authorities to the growing list of those standing for the proposition (abhorred by all billboard men) that outdoor advertising is in a class by itself and is thus subject to its own special regulation under the police power, for the passage above quoted is the language both of the Utah Supreme Court and of the United States Supreme Court.

The United States Supreme Court has taken this position at least twice before (*Cusack Company* v. *City of Chicago*, 242 U. S. 526; 529. *St. Louis Poster Advertising Company* v. *St. Louis*, 249 U. S. 269; 274). Missouri (in the case last cited, 235 Mo. 99; 192), Indiana (*General Outdoor Advertising Company* v. *City of Indianapolis*, 172 Northeastern Rep. 309) and now Utah, are on the list. Heretofore, the classification has been based on the boards being a special kind of *structure*, different from buildings. The separate classification is now based on a new and second factor—the purpose and use of such structures, and their effect on the beholder.

Albert S. Bard.

⁂

Kansas City Wins Police Home Rule.—On the morning of March 15 my 'phone rang and I was informed that the Supreme Court of Missouri had given Kansas City control of its police department. I ought to be immune to surprise at anything which might happen in Kansas City government, but this was to me and to all except, perhaps, a few city officials, wholly unexpected.

For years those of us who wanted the city to operate and control its own police department had been going to the legislature regularly with bills which would end state control. But conditions—political and otherwise—were never just right. As to securing home rule by supreme court decision, it had been definitely decided that policing is a state and not a local function.

But the city manager was not satisfied, and in the last of the periodic suits filed by the police commissioners (appointed by the governor) to compel the city to pay to the department the appropriation requested, the city raised the question of the constitutionality of the law under which the department has operated. And the court held the law unconstitutional in a five to two opinion. It seems the particular question involved had not been raised before.

The police department of Kansas City has been under the control of the state since 1874. Under the law as it has existed in recent years, the department is administered by a commission of three members, two appointed by the governor and the mayor, ex-officio.

The city attacked the law on the ground that it delegated legislative powers to an administrative board. In this contention the city was upheld, the court holding that the limitations in the law were not sufficiently definite to prevent the commissioners from making almost unlimited demands on the city treasury. It goes on to say that "assuming that the creation and maintenance of a police force within and for Kansas City is a state and not a municipal function, a theory to which the writer (of the opinion) is not committed," the legislature may fix restrictions by specific tax rate, amount to be appropriated, or definite rules, regulations and standards which would make definite the amount to be raised. "The statute in question, however, furnishes no such legislative guidance. On the contrary, it confers upon the police board an unrestrained discretion to appropriate from Kansas City's revenues whatever sum or sums it deems necessary for the enlargement and maintenance of the police force and the police department. In doing so it delegates to the police board the legislative power to tax, in violation of the organic law.

"In requiring the city to pay from tax funds the expenses of the police department, the legislature is in effect compelling it to levy taxes for that purpose. And in so far as the legislature has delegated to the police board the power to determine, without legislative control or guidance of any sort, but at its own discretion, the amount of the city's revenue that shall be appropriated and expended for the maintenance of a police department, it has to that extent delegated to the board the power to tax. The power to levy a tax and the power to create a debt to be discharged by the levy of a tax are substantially the same thing.

"The power to tax is a legislative power, and like other legislative powers is nondelegable, except in the case of municipal corporations, and where there is an express constitutional warrant."

The law was held unconstitutional but the previous position of the court that maintenance of a police department in Kansas City is a state function was not changed. All that the legislature needs to do is to pass a law meeting the objections of the court and control will revert to the state. Whether this will be done depends probably on the political complexion of the next legislature.

When Kansas City's charter was written in 1925, a provision was inserted that "when the laws of the state do not prohibit, there shall be a department of police, the head of which shall be the director of police." The director is appointed by the city manager. When the Supreme Court held the police law unconstitutional, there ceased to be a law prohibiting a city-controlled department. The city is, therefore, now operating the department. The city manager has insisted that the cost of the department can be reduced. He now has the opportunity to try. He also has the opportunity to supplant antiquated organization and methods with modern procedures. Much progress has been made by the department in recent years, but the removal of limitations opens the way to even more substantial gains.

The police departments of St. Louis and St. Joseph, the only other departments in the state under state control, are not affected by the decision since they operate under different laws. The court went to considerable trouble to show that the laws are different, but it is difficult for a layman to see how the St. Louis law can be upheld if it is brought before the court. The St. Joseph law does have a specific limitation on the amount of funds which can be requested by the police board.

WALTER MATSCHECK.

*

Financial and Administrative Reform Bills before New Jersey Legislature.—The New Jersey legislature has before it twenty-five bills which are sponsored by the "Tax Survey Commission."[1] They include an income tax law, numerous measures increasing control of state administrative officers over local government, restrictions on borrowing, and provision for consolidations in the interest of economy.

The income tax measure[2] provides for a tax on personal incomes at rates of 1 to 5 per cent and on corporate incomes at 3 per cent. The tax on the first $5,000 of personal income is 1 per cent, on the second $5,000 it is 2 per cent, etc., and on all over $20,000 the tax is 5 per cent. Everyone with a net income of $1,000 must file a return, and no deduction is allowed to anyone for living expenses or dependents. In addition to the normal tax a levy of 3 per cent is imposed upon income from interest and dividends. Adults with a net income of less than $1,000 must also file a statement and pay a uniform tax of $3.00. Incomes earned in the state by non-residents are subject to tax; but a credit is allowed for an income tax paid in the non-resident's state, provided the non-resident's state allows an equally liberal credit to residents of New Jersey. The credit allowed on the New Jersey tax is to the tax paid in the home state of the non-resident as the income earned in New Jersey is to the non-resident's total net income. There is provision for collection at the source in some cases.

Corporate incomes earned in New Jersey would be subject to a tax of 3 per cent, and in allocating the income to New Jersey, three tests are used—value of tangible property in the state, payroll in the state, and gross receipts in the state. New Jersey's historic interest in her "domestic" corporations continues in this measure; those with only a statutory office in the state are specifically exempt from the tax.

The last clause provides that the act shall not be effective until certain services of local government are transferred to the state and local property taxes reduced. This is the purpose of the Tax Survey Commission in framing the bill.

Five bills provide for state administrative control of local government. One[3] creates a bureau of standards in the department of municipal accounts with broad power to investigate and report for comparison concerning salaries, payrolls, materials, and administrative organization of municipalities. The bureau would have power to compel a city to show its own unit costs compared with standard unit costs in its budget. A second bill[4] provides for the appointment of some officer as comptroller by every municipality. Every person so appointed must pass a qualifying examination given by the Department of Municipal Accounts and later be removed by the Department for failure to comply with its regulations. A third bill[1] provides for the appointment by the governor of a full-time assessor in each county to replace all other assessing authorities, and to be under the supervision of the state tax commissioner. A fourth bill[2] would vest the control of highways (outside the state system) in the county boards, except in municipalities with an organized engineering department of a minimum standard. Construction and maintenance work would be under the supervision of the state highway commission, and state aid would be granted only with the highway commission's approval.

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[1] The Commission to Investigate County and Municipal Taxation and Expenditures.

[2] Assembly, No. 434.

[3] Senate, No. 225.

[4] Senate, No. 222.

The fifth bill,[3] setting up a comprehensive budget system for all municipalities, attempts to compel a real balance of expenditures and income, and to prevent promiscuous borrowing. It gives the state commissioner of municipal accounts authority to enforce the requirements. It is mandatory for the municipality to provide in appropriations and tax levy for debt service, delinquent taxes, and public improvements. The budget-making body must estimate delinquent taxes at not less than the amount delinquent the preceding year,[4] and must appropriate for any new improvement an amount equal to the largest annual payment on the loan for interest and amortization. Budget making bodies are compelled to make 5 per cent cuts in expenditures, other than debt service, when tax delinquencies exceed specified amounts. Budgets must be submitted for approval to the commissioner of municipal accounts who may add the mandatory appropriations if they have been neglected, and may cut inflated estimates of revenue; he may require increases in the tax rate to make the budget balance.

A bill revising the "bond act"[5] limits borrowing by percentage of assessed valuation and by ratio of debt service to debt limit. Bond issues may be submitted to popular referendum by one-third of the "governing body" and by property owners representing one-tenth of the assessed valuations. Only serial bonds may be issued and no annual installment may exceed the smallest prior installment by more than 50 per cent. Bond issue ordinances must be submitted to the commissioner of municipal accounts for his certificate that they are in harmony with the bond act. Supplementary bills attempt to put municipalities more nearly on a cash basis by providing for inclusion in the budget of last year's unpaid (delinquent) tax revenue notes and bonds,[6] and by advancing the dates for tax levy and collection.[7]

George A. Graham.

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[1] Assembly, No. 424.

[2] Senate, No. 228.

[3] Assembly, No. 436.

[4] A supplementary bill, Assembly, No. 427, provides that if a budget contains no appropriation for delinquent taxes the "authority fixing the tax rate" must add 3 per cent to the amount to be raised by the tax.

[5] Assembly, No. 435.

[6] Assembly, No. 421.

[7] Assembly, No. 425.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, etc., required by the Act of Congress of August 24, 1912, of NATIONAL MUNICIPAL REVIEW, published monthly at Concord, New Hampshire, for April 1, 1932.

State of New York, County of New York, ss.

Before me, a notary public, in and for the State and county aforesaid, personally appeared H. W. Dodds, who, having been duly sworn according to law, deposes and says that he is the editor of the National Municipal Review, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, National Municipal League, 261 Broadway, New York, N. Y.; Editor, H. W. Dodds, 261 Broadway, New York, N. Y.; Managing Editor, None; Business Managers, None. 2. That the owners are: The National Municipal League, a voluntary association, incorporated in 1923. The officers of the National Municipal League are: Murray Seasongood, President; Carl H. Pforzheimer, Treasurer; Russell Forbes, Secretary. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: none. 4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

H. W. Dodds, *Editor.*

Sworn to and subscribed before me this 15th day of March, 1932.
Mary Donovan (Monaghan). (My commission expires March 30, 1933.)

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CONTENTS FOR JUNE

Editorial Comment .... *H. W. Dodds* 345
Headlines .... *Howard P. Jones* 347
What to Expect of Political Reform .... *Richard S. Childs* 349
Oregon Flirts with the Indiana Plan .... *Charles McKinley* 354
What Municipal Home Rule Means Today
VI. Ohio—Local Self-Government with Exceptions
Emmett L. Bennett 357
The Bonded Debt of 289 Cities as at January 1, 1932 *C. E. Rightor* 364

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 376
II. Recent Books Reviewed 380
III. Judicial Decisions .... *Reviewed by C. W. Tooke* 385
IV. Public Utilities .... *Edited by John Bauer* 390
V. Municipal Activities Abroad .... *Edited by Rowland A. Egger* 394
VI. Governmental Research Association Notes ..... *Edited by Darrell H. Smith* 397
VII. Notes and Events .... *Edited by H. W. Dodds* 399

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THE LEAGUE'S BUSINESS

Council Meeting in Chicago, May 14-15.—The Council of the National Municipal League met at the Union League Club of Chicago on May 14 and 15. The following were present: Murray Seasongood, *president;* Henry Bentley, H. S. Buttenheim, A. R. Hatton, J. Catron Jones, Morris B. Lambie, W. P. Lovett, Charles E. Merriam, Thomas H. Reed, A. Leo. Weil, Russell Forbes, *secretary,* and Howard P. Jones, *public relations secretary*. Present also by invitation were: John A. Fairlie, Edward M. Martin, H. Morris, Cambridge, England, and Clarence E. Ridley.

At its first session the Council considered reports on the work of the League in public relations, sales of publications, membership solicitation, county government, committee activities, and civic education.

The Council adopted a budget for the remainder of the fiscal year, May 1 to December 31. As a means for reducing the expenditures for personal services, the Council instructed the secretary to withhold 10 per cent of the salaries of the officers and the staff from May 15 to December 31. The amount so withheld is to be placed in a suspense fund and is to be payable on December 31 if the year is ended without a deficit.

The Council considered the tentative program for the League's annual meeting to be held in Washington on September 19, 20 and 21. The program was approved and the secretary was instructed to proceed with inviting the suggested speakers. It was decided to accept the invitation of the American Political Science Association to hold a joint meeting in Chicago in June, 1933, in connection with the World's Fair.

The president was authorized to appoint a committee to nominate officers for 1933. The nominating committee is to be asked to prepare and to recommend for adoption a revised edition of the constitution. The president was also authorized to appoint a finance committee to assist in securing contributions to the work of the National Municipal League. Pursuant to the agreement on which the merger with the Proportional Representation League was carried out, the president was authorized to appoint a standing committee on proportional representation with C. G. Hoag as chairman and George H. Hallett, Jr., as secretary.

At its final session the council considered ways and means for expanding the effectiveness and influence of the League. To this end it was decided that the League should next fall actively undertake the organization of citizens' groups in various localities where there is now pronounced interest in better local government. Henry Bentley, chairman of our committee on citizen organization for municipal activity, was requested to complete the report of his committee for distribution next fall. In order to formulate a suggested program for curtailment of government costs, a special committee was appointed to prepare a report for publication and use in connection with this proposed campaign. This committee is composed of Thomas H. Reed, chairman, A. R. Hatton, Henry Bentley, Charles E. Merriam and J. W. Esterline.

President Seasongood, while in Chicago for this meeting, carried on a very strenuous speaking schedule. He addressed the Chicago Woman's Club on Friday, May 13, on "The New Day in Cincinnati"; the Women's Republican Club in Evanston, on the evening of May 13; and on Sunday evening, May 15, a large meeting at the Y. M. C. A. Hotel in Chicago. On Saturday, May 14, prior to the meeting of our council, he attended the meeting of the board of trustees of the Julius Rosenwald Fund.

RUSSELL FORBES, *Secretary.*

Editorial Comment

June

NATIONAL MUNICIPAL REVIEW

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Sedley H. Phinney, secretary of the New Jersey State League of Municipalities and president of the American Municipal Association, died in a hospital in Trenton, New Jersey, Monday, May 9, after a short illness. Mr. Phinney was to have sailed four days later as head of the American delegation of secretaries of state leagues of municipalities attending the International Congress of Cities in London. Mr. Phinney had developed the New Jersey League from almost nothing into a powerful organization of municipalities with a dominant influence in the municipal affairs of his state. His untimely death at the age of 42 represents a distinct loss to the cause of improved government and a personal sorrow to his many friends in the National Municipal League.

The decision of County Judge Jarecki holding the 1928-29 tax assessors' roll of Cook County invalid was reversed by the Illinois Supreme Court on April 20. Another case attacking the legality of the 1930 taxes was disposed by implication. Mayor Cermak has hailed the decision as restoring faith in Chicago securities and as placing the city in a position hereafter to pay its obligations on time.

Population Estimates for the New York Region How much should business rely on the population estimates of the Regional Plan of New York and Its Environs and the Tri-State Regional Planning Commission of Philadelphia? Not too much, replies the New Jersey *Journal of Industry and Finance*. According to present indications, it asserts, the population of the New York region will stabilize at a level substantially below 21,000,000, the population predicted by the Regional Plan by 1965. The author does not believe that New York is becoming a deserted village or that the Regional Plan ought to be discarded. He does believe, however, that the era of high pressure development is nearly over, and that real estate ought not to be sold with the implied promise that there will be 21,000,000 New Yorkers by 1965.

* * *

Austin in Sound Financial Shape The following paragraphs from City Manager Johnson's report to the council of Austin, Texas, must indeed have been welcome news to the taxpayers:

It is with a feeling of genuine pride and pleasure that—notwithstanding the depression that has plunged so many municipalities, as well as our state and national governments, into financial chaos—the city of Austin's government under your guidance is in splendid condition with the best financial record in its history.

Ninety-three per cent of the next tax rolls were collected without filing any tax suits, and every fund of the city closed the year with a cash balance on hand.

It is also very gratifying to note that our financial status was attained in the face of a vigorous expedition of your development program of streets, parks, playgrounds, extensions of storm and sanitary sewers, water and electric service, which, while furnishing employment for many men who otherwise would have been idle, represented a large expenditure of money.

* * *

Obstacles to Effective City Planning

We are indebted to the report of the committee on city planning of the American Society of Municipal Engineers for a clear statement of some of the factors which are retarding the effective utilization of the knowledge we possess of city planning. The report believes that planning efforts in this country have not been a spectacular success but the individual statements of the members of the committee indicate a divergence of viewpoint as to methods of improvement.

The need most commonly expressed is for a definite program of financial planning to accompany the physical plan. Financial planning means estimating not only costs of improvements but the economic capacity of the community to pay for such improvements. If every plan were compelled to indicate the means of financing, states Mr. De Boer, many would not reach the publication stage. J. L. Crane considers a revision of our system of land speculation to be necessary. There must be greater public control or extension of public ownership or new taxing methods or coöperative land development or better condemnation powers before the schemes of the planners can be made economically effective. Robert Whitten writes to the same point when he says it is obvious that private ownership of public land, with the resulting speculations in land values and over-intensive use of land, renders it difficult to carry out a well considered program.

We believe that the two points above go to the heart of the problem. City planning reports are often excessively optimistic. Even when long-term improvement budgets have been submitted they have sometimes turned out to be visionary. In this respect the planning profession must deal honestly with its public. A frank facing of the costs involved in relation to the community's ability to pay will not only deter grandiose schemes but will ultimately increase the public's confidence in the plan.

A fuller realization of the costs of planning will direct attention naturally to the points raised by Mr. Crane and Mr. Whitten. If proper community building is found to be impossible under present systems of land utilization and land speculation, the public will undoubtedly begin to consider reforms in this field. If planning is a good thing and if present methods of land holding render it impossible to secure the advantages of planning, we may expect greater social control over the use of land.

It seems to be true that the economic advantages of planning have not always been correctly set forth in relation to community costs and wealth. It has sometimes been assumed too readily that extensive planning pays for itself automatically. It is true that the preparation of a plan makes a city conscious of its needs and willing to spend money for self-improvement. It is also true that ultimate results spell public economy in the long run, but this does not relieve planners of the responsibility of adjusting their recommendations to the limits of present capacity to pay for the projected improvements.

HEADLINES

County government in Iowa must be "radically changed, perhaps eliminated altogether" in the effort to cut governmental costs, according to W. S. Gilman, chairman of the state legislative interim committee on reduction of governmental expenditures. Political leaders at last are waking to the possibilities that lie in cutting costs of administration rather than lopping off needed services.

* * *

The Iowa committee among other things has recommended the abolition of the office of county coroner. Aiming at enforcement of the personal property tax laws, the committee would require proof of payment of personal taxes before an individual may obtain an automobile license.

* * *

It is unlawful for a candidate for public office to promise to draw only a part of his salary, according to a ruling by Attorney General Foot of Montana. This hits at one of our most cherished American traditions. If we start restricting politicians' promises, then indeed will democracy face dissolution. For what else has a candidate? Alibis, of course, if elected.

* * *

Widely varying prices are being paid for identical materials by New York State municipalities, according to a report issued by the New York State Conference of Mayors and Other Municipal Officials. The most obvious solution—that of centralized purchasing by the state for municipalities—is, of course, politically unthinkable.

* * *

Voluntary abandonment of township government by a Minnesota township recently is the first recorded case in the Gopher state of the return of territory to an unorganized status. Under a 1931 statute providing for optional dissolution of township government, control of the township will be assumed by the county board.

* * *

A bill to provide state supervision over all bond issues of local governments, patterned somewhat after the North Carolina plan, was killed by the South Carolina house of representatives. If only North Carolina hadn't thought of it first!

* * *

A bill providing for a state budget system, with the chairman of the state tax commission as budget director, has been passed by the Mississippi house of representatives. A sales tax measure has also been approved.

While the newspapers report that the city of Milwaukee is in good financial shape, the county of Milwaukee will have to have $5,000,000 before it can balance its budget. The secret is that the county has been assuming responsibility for the bulk of unemployment relief within as well as outside the city.

* * *

A fifty per cent pay cut for municipal employees during May and June has been approved by the Detroit common council. This step was necessary before New York bankers would approve a $3,600,000 loan. Another example of local self-government!

* * *

The Seabury-Walker bout was one of those tortoise-hare affairs in which the race is not always to the swift. While Jimmy's wisecracks threw sympathetic Tammanyites into fits of mirth, the fact remained that his witticisms explained nothing. Hizzoner had a new experience at the hearing—he heard hisses mingled with the applause.

* * *

There are 45,951 local elective officials in the state of Wisconsin, according to the Wisconsin League of Municipalities. Too bad they can't get together and appoint representatives to carry on the public work. But Madison Square Garden would be too small.

* * *

The new San Francisco charter will have saved the taxpayers more than $2,000,000 by the end of the fiscal year, according to an estimate by William H. Nanry, director of the San Francisco Bureau of Governmental Research. The charter is modeled after the manager plan.

* * *

Milwaukee Socialists control the city hall for the first time since Mayor Hoan took office in 1914. A municipal bank, retail distribution of coke, city milk delivery and a six-hour day for employees are among projects proposed. Milwaukee is conservatively German for the most part. Now that socialism is really in the offing, the question is—will they stand for it?

Howard P. Jones.

What to Expect of Political Reform

"THE country is accepting the structure of the manager plan and is casting away the philosophy that comes wrapped in every package"

BY RICHARD S. CHILDS *Chairman, N. M. L. Council*

TWENTY-ONE years ago I got hold of the tail of an idea in political science. I was not a political scientist; only a young advertising man. Whether my idea was right or not, I did not know, but I spent a long and happy winter writing and rewriting a little essay, which I finally brought out in a pocket-sized pamphlet, entitled "The Short Ballot." I circulated it timorously among people who knew about such things and was rewarded with prompt encouragement. My idea, I found, was not absolutely new but by giving much greater weight to it than had been done by previous writers, I was successful in making it the central feature of a new philosophy of political reform.

Finding that other people could be made to see it as I did, I was promptly off on a crusade that has kept me going ever since. It has run so long that now I am a sort of emeritus in the game, and in spite of the fact that I am still only in my forties, I find that there are younger men who now look to me as a sage and a veteran. In fact, through a college girl who tells me with enthusiasm how she went searching clear back to my "earliest writings" in the course of preparing a college thesis, I discover that I have even been the subject of a kind of antiquarian research.

I have had a grand good time in the course of these twenty-one years, for the acceptance of my shining new idea was not only prompt but took the form of immediate application in government on a considerable scale. The trimming off of ballots by making minor elective offices appointive, has not gone very fast as applied to state governments, although several states have altered their constitutions to bring them into closer accord with the short ballot idea. The application of the idea to municipal government, however, in the form of the city manager plan, has gone far. It was adopted in the first city, Sumter, South Carolina, in 1912, within eighteen months after I first broadcast the proposal, and it has been spreading steadily, until now the number of cities that have adopted it is about four hundred and forty. One city in every five now has the plan and presently we shall be able to say that it has reached one city in every three. It would seem that nothing more than further time is needed to witness a complete adoption of the idea in American states and cities, with or without the steady ministrations and propagandizing of the National Municipal League to which the banner has been confided. I am not saying that I did it all with my little hatchet, but neither will I deny the satisfaction that I get out of having seen my brain-child get up and walk away so promptly and vigorously!

Now, however, I encounter the fate which, I imagine, awaits all prophets!

I am discovering that my project has been adopted far and wide by people who have been untouched by my philosophy, people who have convinced themselves of the excellence of the project for the wrong reasons, reasons which, in fact, I feel that I could easily disprove! Hardly any of the city managers grasp the basic merits of the plan. When a chamber of commerce in preparing for a local charter campaign looks over the literature it never puts into its own publication those paragraphs which constitute my particular philosophic contribution. To be sure they go earnestly on and secure the adoption of the city manager plan in their city, so why need I worry. Nevertheless, I do! The movement is on the wrong rails! The movement does not understand itself!

Perhaps I am only having the unnecessary misgivings of a hen with ducklings but here is the situation as I see it now!

MISTAKEN EMPHASIS ON STRUCTURE

The virtue of the city manager plan of municipal government does not lie primarily in the internal structure of the government. To be sure the internal structure is correct, strong, flexible and, in its unity of control, markedly superior to the mayor and council plan which is more or less two-headed. The idea of having an appointed chief executive, a city manager, chosen on the basis of experience in similar positions in smaller cities and brought in as an expert, just like a school superintendent, is of course likewise sound and it has been a happy experience for me to find that cities are ready to take city managers from other cities and swallow the whole principle of promotion of such officers from town to town.

Those advantages of the internal structure of municipal government under the city manager plan, occupy the entire attention of the usual proponents of the plan. The typical argument runs like this—"After we adopt this new charter, we'll have an expert city manager in the city hall and the city hall will become a business office and the taxes will be reduced." And, sure enough, after the new charter is adopted, just that thing does happen and the city embarks upon what usually proves to be an astonishingly satisfactory experience.

Now all the time that this has been going on, I have been standing on the side-lines, interpreting the movement in completely different terms! My original concern was, and it still is, with that area of the government which lies between the rank and file of the voters on the one hand and the council on the other. The virtue of the city manager plan, as I see it, lies in the superior arrangements whereby the people deal with the elected representatives whom they send to the city hall as members of the council with authority to hire a manager and run the town. In the ordinary governmental set-up, the people, more or less blindly, endorse a ready-made ticket prepared for them by a political machine and the political machine acts continuously as intermediary between the people and the government. The machine controls the government, dictates every political action and constitutes the real seat of power. It was to break up that system that the city manager plan was concocted and the diminished importance of political machines in cities where the plan is in effect is, to me, the chief result of the movement.

MAKING NONPARTISANSHIP EFFECTIVE

The simplest way for me to explain why it works out that way is to say that it provides nonpartisan ballots under conditions that make the nonpartisan ballot really practicable. The ballots are short—only a few offices to be filled at any one time. The elected officers—members of the council—are all of one class and of equal importance; one does not overshadow and obscure the rest. The inattentive business man, the housewife who 'knows nothing about politics,' the shopgirl, the factory hand, can all readily develop their own individual opinions of the candidates in the simple situation thus presented and do not grope for the guiding hand of the politician as they mark their ballots. Very few voters can be "delivered" under such circumstances; the "city hall vote" musters its ten or fifteen per cent of job-holders and regulars but the rest of the electorate picks its own tickets, unaided by roosters or stars on the ballot.

For example, Professor Hatton in Cleveland ran for council. He had only to fill out some simple petition papers to get his name on the official ballot. He asked permission of no politicians of either party. He did not even visit political headquarters or ask for endorsement by the party chieftains in his district. He spoke, wherever invited, in neighborhood meetings and made known his views and preparedness for the position as best he could. He spent altogether less than fifty dollars and was elected by the second biggest vote in the city. And two years later he was reelected under similar circumstances.

Now that could not have happened in Cleveland under the previous form of government! He would have had to run for either mayor or councilman. It would have been futile for him or any other such independent to run for mayor—a city-wide office requiring extensive, far-ramifying organization and large expenditures to reach that great constituency in an impressive way. Neither could he have hopefully attempted to get elected as councilman since that was a minor obscured office to which the people and newspapers gave scanty attention, with the result that the delivered vote (of inattentive people like you or me who vote the party ticket blindly for all offices as to which we have no opinion of our own) would have swamped the few voters he could have successfully buttonholed.

But the new set-up provided Professor Hatton with ideal conditions for dealing directly with the electorate—a small constituency, an important office, an absence of distraction in the shape of larger issues, a short ballot! The politicians of that district must be wondering yet at the feebleness of the hold they found they had on the voters!

CLEVELAND MISSED THE POINT

Cleveland discarded the city manager plan this last November. The significance of the action is easily exaggerated, for the facts are that Cleveland adopted the plan ten years ago by a narrow marjority in a light vote and has by narrow votes sustained the plan against three efforts to oust it. Thus its position has always been precarious —a wavering of five per cent of the total vote of Cleveland was enough to upset the situation. The campaign last fall in defense of the plan was managed by tired and loyal volunteers equipped with less than $3,000 of money and their chief argument, I grieve to say, was that the tax rate, which had been going up before the plan was adopted, had been steadily reduced during the city manager era.

Neither the people of Cleveland, nor the reformers who led them, ever fully comprehended the remarkable opportunity which the plan of government gave them to put more Hattons into office! By 'Hattons,' I mean persons who, like Hatton, were able to get themselves elected at trifling expense without the endorsement of either political machine and in the face of machine hostility. Professor Hatton was not the only member of the twenty-five members of the council who went in as an independent; there were several others.

In addition there were members who were nominally Republicans or Democrats and enjoyed the party endorsement, but upon whom the machines had a very precarious hold inasmuch as it was an open question whether some of those members could not have been elected fully as well without the machine's endorsement. Sometimes, indeed, machine endorsement had been something of a nuisance to a candidate, a thing to be carefully explained away!

However, politics was still an acquired taste to the type of people who should have run for the new council and the idea of entering the contest as Hatton did was too novel to them. There was, as it happened, no central organization of independents to perform the simple and easy function of inspiring additional independent candidacies and encouraging the entrance into politics of the kind of persons who are ordinarily never found there. Enough such additional persons to constitute a majority might easily have been elected over the chronic jobholders and time-servers whom the machines nominated and elected. There was a majority of the latter in council during the entire eight years and the machine, in consequence, was able to bedevil the civil service and hamper the operations of the city manager by partisan pressure. Curiously enough, at the same election at which the manager plan was ousted, the people of Cleveland elected a new council with enough additional independent members to make it possible that the machine may not this time control that body, an improvement that came just too late!

Now they have a mayor elected at large again. So far as I know, no one in Cleveland pointed out the essential fact that the successful candidate for mayor in a city as large as Cleveland will almost inevitably have to make terms with one or the other of the political machines. The great scale on which the campaign must be conducted is sufficient to balk independent candidacies, since only in the rarest circumstances can an improvised volunteer organization compete successfully on such a scale with that standing army of political mercenaries maintained at pubic expense which we call the "machine."

THE WIELDY DISTRICT

If the people are to do business directly with candidates without the intervention of a political machine, the district must be wieldy; that is to say, it must be of such size that an ordinary candidate with ordinary resources of money, acquaintanceship and an improvised organization, if any, can canvass it and make an impression. The whole city of Cleveland from which the new mayor will be elected is an unwieldy district. The mere alteration in scale is enough to upset the democratic principle which had been correctly embodied in the city manager plan as designed for Cleveland.

The political machine as an institution in Cleveland was on the way out, because, except for the election of county officers and for state officers, it had ceased to be a functional necessity to the working of the local government. By providing now for an elective mayor, Cleveland has suddenly made a machine once more an inevitable feature of local politics. Cleveland did not see that! They talked about tax rates!

THE MACHINE IS DISPENSIBLE

In other cities there is abundant evidence that these simplified and powerful city manager governments can operate without the intervention of the political machine. It was the complexity of the voters' duties that necessitated the machine under the old form, and, sure enough, the use of simplified government in an experience of something like 15,000 elections in 400 cities in 35 states has now demonstrated that the machine is dispensible. The machine has been an unofficial makeshift; its function is proved to have been merely mechanistic and capable of being eliminated by a mechanistic correction of the plan of government.

It has been an old saying that 'a reform administration is never reëlected.' But the history of the city manager plan now shows a great array of cases where administrations that paid no attention to the political machine have been reëlected for as many as nine consecutive times over a period as long as eighteen years! It is not necessary to try to prove that the machine goes out every time the city manager plan comes in. There are certainly some managers who are under machine control because they are chosen by councils which are machine controlled but the fact remains that, given the improved mechanism, the people can shake off machine control with greater ease, as is demonstrated by the fact that most of the city-manager towns have done it as soon as the new plan came into effect and have repeated the exploit election after election.

In Cincinnati, the place where the opportunities of the new plan of government have been most fully realized, the political machine has been kept in a minority position through four successive elections by a group of political amateurs with no professional organization at all and who do not pay their supporters with patronage or boodle. This group of amateurs have now realized that the machine opposition has been steadily nourished by county and state and federal patronage, so, to protect the city manager plan, they went out and captured the county government and appealed to state and federal authorities to withhold patronage from the local machine. They are supporting state-wide efforts to simplify county government but the alertness of the politicians on that issue indicates that the latter fully appreciate the value to them of that ancient ambush.

A MOVEMENT THAT DOES NOT UNDERSTAND ITSELF

So here I stand at the end of twenty-one years, looking at a movement which is going along steadily and capturing twenty-five more cities each year, but which, as I see it, does not understand itself! The country is accepting the scheme and casting away the philosophy which comes wrapped in every package, substituting a shallow and meretricious reasoning to explain the effectiveness of the plan.

And so, inasmuch as I am posing as a philosopher anyway, I might as well be philosophical about it!

Oregon Flirts with the Indiana Plan

OREGON, at the instigation of Governor Meier, is considering a modified Indiana plan

BY CHARLES McKINLEY *President, City Club of Portland*

AFTER a brief respite from his labors with the Oregon state legislature, Governor Julius Meier turned his attention to the subject of local taxation and expenditure. On June 27 last, he announced the appointment of a large committee to survey the local tax situation. This committee was composed of some seventy-two persons with at least one representative for each county. On it were some sixteen bankers, six county judges, eight farmers, eight lawyers, six newspaper men, seven legislators and some nineteen others. In a prepared statement accompanying this announcement, the governor declared that local expenditures accounted for most of the taxes levied in the state. Of an annual levy of about fifty millions, forty-three millions were for local purposes. Local taxation was the heart of the tax problem, and must be attacked vigorously. The governor declared his ambition was to give Oregon the lowest tax rate in the United States, thereby to "attract new population and new industries."

The governor's committee met at Salem on July 8, and the governor set the problem before them. He alleged that Oregon was second highest in the company of states in its per capita bonded debt; that 19.3 per cent of the total income of its people was absorbed in taxes; that out of total real estate earnings of eighty millions, taxes consumed forty-one millions; that taxes had risen from six millions to fifty millions in twenty-five years, and that forty-three millions of this total were levied by the 2753 local tax levying bodies in the state. He wished the committee to organize a state-wide league which would bring pressure in every locality immediately to cut expenditures. Every county should have an organization for this purpose. He recommended for the committee's consideration the Indiana plan of local finance control, quoting from a letter of the governor of Indiana which said that the Indiana plan had reduced taxes and bond issues by eighty millions in eight years. Mr. Meier also said:

> Further I suggest that the Committee give consideration to the adoption of the managerial form of government for our various municipalities, and the possibilities of extending these principles to our counties. Astoria, Bend and Oregon City are examples of what can be accomplished by the city manager.

He mentioned also the desirability of requiring a sixty per cent vote on bond issues and special tax levies, of creating centralized purchasing systems, proper accounting systems and adequate local budget documents.

NEW REVENUES AND NEW CONTROL

The committee organized itself into the Oregon Taxpayer's Equalization and Conservation League and adopted a resolution calling for a cut of at least twenty per cent in the tax levies of local government agencies, and for the curtailing of bond issues to bare necessities.

This League on July 16 recommended four major steps:

1. A special session of the legislature to consider tax reform.
2. A change in the law to vest in the state tax commission acting jointly with county tax commissions (to be created) the power to control the budgets, tax levies and bond issues of all local agencies.
3. The reduction of the automobile license tax by one-third and the increase of the gasoline tax from four to five cents.
4. That all local tax levying bodies be urged to retrench by cutting expenditures twenty per cent.

The League proposed to modify the Indiana plan "in deference to home rule sentiment" by creating county tax commissions of three members each, chosen by the governor. These new commissions were to sit with the state tax commission in hearing budget appeals from their respective counties, and decisions would be arrived at by majority vote of the two bodies acting jointly. The governor approved this modification and promised to sound out the members of the legislature about the calling of a special session.

Oregon's six per cent constitutional limitation on annual tax increases, which has been in effect since the war period, came in for some severe criticism for its failure to hold down taxes.

Nothing was said about modernizing county and city government.

HOSTILITY DEVELOPS

When the governor began to sound out the members of the legislature regarding a special session to fulfill this program, he found sentiment changed from initial approval to hostility. The Portland *Oregonian,* which backed this taxation move of the governor, undertook to carry out a poll of the legislators and public sentiment. On July 26 it announced that "opinion seems to be growing that such a session could not accomplish results sufficient to justify convening the lawmakers at the capitol, and that, in any event, sentiment in this state is too strongly wedded to the idea of 'home rule' to permit supervision over local affairs by a state commission. Mass meetings over the state have passed resolutions opposing it, metropolitan and up state press have discussed it adversely and members of the legislature have indicated a decidedly unfavorable trend in their views of the proposal." On July 29 it declared that the final result of its poll indicated that neither the special session nor the Indiana plan were favored by members of the legislature.

Nevertheless the governor's league organized its county committees and went to work upon the city, county, school and other local authorities to secure the twenty per cent reduction of local government expenditures which it and the governor espoused. On the whole, it achieved considerable success in this direction. C. C. Chapman, editor of the *Oregon Voter,* has compiled data which shows that the tax rate in most of the counties has been very markedly reduced. The smallest reduction reported is for Multnomah County—in which Portland is located—where the cut is about one per cent.

PORTLAND TEACHERS USE DIRECT ACTION

One amusing episode growing out of the pressure activities of these local "governor's committees" (as they were known) occurred in connection with the budget of the Portland school district. This district has a budget second in size to that of the city of

Portland, the largest spending unit of local government in the state. The governor's committee appeared at one of the autumn budget meetings of this school board and demanded a twenty per cent reduction in expenditures. Since most of the expenditures are for teachers' salaries they asked for a drastic salary cut. The board meeting which heard this committee's argument was held in the evening. The following morning the Portland *Oregonian* carried a front page story of this session. A well authenticated rumor has it that many teachers and principals, having consumed the news with their breakfast coffee, waited for the opening of "Portland's Own Store" (Meier & Frank Co.) of which the governor is president. When the opening hour arrived they buried the store's telephone exchange in an avalanche of phone calls cancelling orders for merchandise, and cancelling their accounts. And they were not bashful in telling the reason why. It is not necessary to know just what happened within the store's official family that day nor what communication was had with the governor. But within twenty-four hours, the governor issued a public statement repudiating the salary reducing efforts of his Portland committee, and declaring that he was not in favor of cutting Portland teachers' salaries. All Portland sniggered—except the governor's committee.

GOVERNOR CONTINUES TO ADVOCATE INDIANA PLAN

The next important pronouncement by the governor came early in January of this year when he issued a statement reviewing the work of the local committees of his Tax League. He declared that these committees had gone about as far as possible in getting tax reductions through local pressure. The next step was the adoption of a legislative program, either through the initiative at the next general election or by the next legislature. He announced that he would appeal to the League to support a legislative program which would (1) give state control over local bond issues, (2) which would create central county purchasing agencies, (3) provide uniform accounting systems for all local units, and (4) provide for annual audit of local expenditures.

He again expressed his admiration for the Indiana plan and referred in commendatory terms to the recent legislation in North Carolina by which state control over local bond and tax activities had been achieved, and he indicated his great interest in the North Carolina changes in road and educational finance.

On January 24 he released a letter he had written to the president of the Oregon Taxpayer's Equalization and Conservation League. In it he again asserted that if local taxes are to be reduced there must be legislative changes, perhaps constitutional amendments. The local committees have secured an average reduction in local tax levies of only six per cent, instead of the twenty per cent set as the goal. At very considerable length he set forth the merits of the Indiana plan and characterized it as the best yet devised for achieving taxpayers' control of public expenditures. He called it the "best and most effective expression of home rule in taxation that has thus far been attained in any state." Incidentally he severely criticized Oregon's "six per cent" limitation on tax levies, asserting that it has accelerated local expenditure.

What Municipal Home Rule Means Today

VI. Ohio---Local Self Government With Exceptions

In spite of relatively broad home rule powers, control of the purse still rests with the legislature

BY EMMETT L. BENNETT

University of Cincinnati

Dissatisfaction with statutory straight jacket control of municipal government was a major force in bringing about the Ohio Constitutional Convention of 1912, and the home rule article (adopted by a popular vote of nearly 3 to 2) was one of its principal achievements. The constitution says that "Municipalities shall have . . . . all powers of local self government. . . . ." When the court first faced the question whether "municipalities" meant all of them, its divided voice answered that the grant was to those only which should adopt charters. Succeeding decisions evinced a changing view, and after a decent interval the court found occasion to repudiate the early doctrine. Because much of the meaning and benefit of home rule thus extends to cities and villages without charters, it has sometimes been questioned whether today there is any reason for adopting charters. The sufficient answer is that without a charter a muncipality cannot control its own organization, cannot so well provide for the effective utilization of many powers which in theory it possesses, cannot escape the hampering force of many antiquated statutes.

The constitution does not catalogue the substantial items of the grant. In effect it negatives the inclusion of certain items. Some it includes by the device of limiting the grant. In the main, the enumeration of an authoritative list of the powers granted waits upon the occurrence of litigation in which particular powers are disputed. The list lengthens, never becomes complete.

The grant does not change the status of municipalities as political subdivisions, subject to the state in all other ways. Thus statute can grant, in other fields than local self-government, powers beyond the reach of charters—e.g. extra-territorial powers. So also statutes impose duties and burdens not within the scope of local self-government, and there is no local choice but to accept.

The doctrine is generally accepted that the grant of local self-government confers in perpetuity, and that the legislature may in no wise extinguish the right of each municipality to its corporate existence. Yet it has never been litigated squarely. Moreover, statutes provide procedures for terminating the existence of one municipality by its annexation to another, and these have never been challenged upon home rule grounds.

THE FINANCIAL STRING—OR NOOSE

By authorizing laws "to limit the power of municipalities to levy taxes and incur debts for local purposes— . . . ." the home rule article recognizes those as being powers of local self-government. This is not the only passage in the constitution relied upon to sustain statutes in derogation of financial home rule. Two older provisions (one more restrictive, and the other rather oblique) are very much alive, and at least one case intimates that to some financial powers there is a limit which need not be expressed at all.

DEBT

In the matter of municipal indebtedness in the ordinary sense, statutes go much farther than the placing of a limit to amounts. In the teeth of a decision they enumerate purposes, by implication disallowing debts for all others. They fix maximum terms for bonds, prescribe serials exclusively (excellent thing, though a literal application of one constitutional provision might require all to be of sinking fund type). They prescribe times and methods of issuance. They require council to secure popular ratification by extraordinary majorities of all issues above one-fifth of the maximum limitation. They regulate minutely legislative procedure, indirectly forbidding the use of the initiative to authorize a debt—although the court has in dictum intimated that the constitutional right to the initiative, in which a simple majority suffices, cannot be so limited. The statute requiring all bonds to be offered at par to the state industrial commission is one of the few in this field which have been challenged and invalidated as to municipalities.

It was generally supposed, until 1930, that the legislative authority to limit the municipal power of contracting debts referred only to debts evidenced by bonds, notes, and the like. In that year the court invoked it to sustain, as against either inherent municipal power or a specific charter provision, a statute regulating the procedure of making ordinary purchases. The decision is all the more remarkable in that it was necessary to strain the language of the statute to the breaking point to bring it into relation to the circumstances of the case.

TAXES

The authority to limit municipal taxation may be exercised by implication, at least in the field of excises, where, the court has said, an imposition by the state occupies the field and excludes municipalities—although specific statutory authority might save them the power.

A charter provision authorizing certain property taxes in excess of statutory limits was unhesitatingly invalidated. But in 1925 a statute authorized municipalities by charter to fix their own tax limits in lieu of those imposed by statute. The attorney general declared the scheme valid and it was never litigated. In 1929 an amendment to the taxation article specifically empowered the legislature to enact such a statute, and incidentally validated charter tax limit provisions then existing (Cincinnati only?), even against subsequent legislative attempts to repeal. The same amendment legislated a fifteen mill combined tax limit into the constitution. County officers control the apportionment.

In yet another matter the legislature has been surprisingly liberal. A number of charters set up better special assessment procedures than that in the statute. When the supreme court invalidated an assessment made under a charter, a statute—as yet unlitigated—was passed authorizing assessments to be made under either statutory or charter provisions.

It seems a long way between authority to limit taxation, and statutory regulation of the time, method, and form of measures appropriating money for ordinary municipal operations, regulating even funds in no part derived from taxation. Yet the legislature has asserted such a power, which has not yet been seriously contested. It has not attempted to control by law the purposes for which expenditures may be made. County budget commissions can in effect do so by disallowing requests for adequate shares in the tax proceeds. Such usurpation has not been unknown. Nor is there a remedy.

POLICE, SANITARY, AND SIMILAR REGULATIONS

The grant of local self-government is coupled with the phrases "and to adopt and enforce within their limits such local police, sanitary, and similar regulations as are not in conflict with general laws." From the arrangement one might suppose this to grant power additional to local self-government. The cases make it clear that such is not the situation. The quoted clauses merely repeat explicitly a portion of the main grant, and constitute a peg for reservations. The reservations do not disable the municipality from adopting regulations upon subjects not covered by statute, or which vary from or are merely inconsistent with statute. The conflict must be squarely met, as when statute prohibits local speed limits lower than those fixed by general law. The legislature may not restrain the city from regulating speed by ordinances which do not conflict. As to offenses against local police and sanitary regulations "if there were a statute creating the same offense it could not be exclusive, even if the general assembly in express terms prohibited the municipality from legislating upon the same subject matter." The state has power to prescribe what the city shall do in sanitary matters; e.g., it may require installation of sewage treatment plants. By analogy perhaps the state can compel performance of police functions. In other fields of local self-government the decision rests with the city to perform or to omit.

PUBLIC UTILITIES

It is impossible to say with assurance what utility powers would belong to municipalities by virtue of home rule, did not the amendment specifically confer power to acquire, construct, own, lease, and operate any utility, to issue mortgage bonds against it, and to contract with others for utility service. This last the court declared to be a matter of local self-government as early as 1915. If the other powers are in the same category, the effect of their specific declaration is not to enlarge but only to confine them within the accompanying adjective procedures.

There grants in any case changed situations. They invalidated a statute requiring a village going into the electricity business to buy the existing plant. It was decided that Cleveland by charter could dispense with statutory requirement of frontage consents as a condition to the granting of franchises, while charterless Cincinnati could not. That was in 1915, before the court came to the view that the local self-government grant was self-executing. When a utility company has accepted a franchise, thereby establishing a contractual relation under the constitution, it is not reviewable under statutory authority, nor may the utilities commission under statutory authority sanction charges in addition to those specified by franchise. At the same time, a statute may prevent the grantee from exercising a valid franchise, as when the law prohibits a second telephone company's serving without a certificate from the commission.

The control of rates not under contract was a difficult topic for the court to agree about. A municipality not bound by a rate contract can by ordinance regulate rates, whether under franchise or not. A utility may accept a rate ordinance, and so make it a contract, extinguishing state jurisdiction.

Or it may resist the ordinance rates by appealing promptly to the utilities commission, which thereby acquires jurisdiction under statute. If it neither accepts nor appeals within the appointed time the ordinance becomes effective, and the commission does not acquire jurisdiction. Nor has the commission jurisdiction to entertain an appeal while the ordinance is suspended by a pending referendum. This whole situation has troubled the court severely, and prompted vigorous dissents in which the power over rates is characterized as being not a mere police regulation, but an exercise of the more fundamental police power. The unhappy majority has reached the opposite position not so much by positive agreement as by failure to hit upon a formula to which it could rally with conviction.

The actual effect of the utility ownership powers is not manifest from a reading of the constitution alone. It is not practicable to finance a plant entirely with mortgage bonds. The legislature can not prohibit the use of general credit for utility purposes, but it does fix an over-all limit upon borrowing power so low as to leave few municipalities any margin above their need for street improvements and other general objects. Water works bonds go outside the limit if the plant earns its charges; there is no intrinsic reason why the same rule should not be extended to other utilities; but let a bill to that effect be introduced, the only result is to bring out an opposing regiment of private utility lobbyists.

EDUCATION AND LIBRARIES

The Ohio public school system is distinctly outside the scope of municipal home rule. But three cities maintain municipal universities, undertaken as city, not school district, enterprises pursuant to statute; charters have not undertaken to make changes of moment. While it is not known where libraries stand in relation to home rule, it is likely that a city could maintain the right of operating one. Actually, they are maintained independently.

PERSONNEL

The home rule article is silent as to personnel matters. Another amendment, adopted at the same time, provides that

> Appointments and promotions in the civil service of . . . . cities shall be made according to merit and fitness, to be ascertained, so far as practicable, by competitive examinations. Laws shall be passed providing for the enforcement of this provision.

As if to compensate for excursions outside the home rule article in matters of financial control, the court holds this to be a matter of local self-government, in which statutes yield to charter. But the city can escape only by adopting a charter, and, apparently only by providing therein a system which reasonably complies with the constitutional mandate. Some charters by reference adopt the civil service statutes—a course hard to justify upon grounds of quality.

ELECTIONS: I. & R.

Home rule in election matters is actual. Prior to the enfranchisement of women, a charter was upheld in giving them the vote in city elections. P. R. would have been sustained as a matter of local self-government, even had not the majority of the court apparently abandoned the earlier case against limited voting. The court gave precedence to home rule over another specific constitutional provision about primaries, saving municipalities from statutory control. An older provision of the constitution fixing times for municipal elections has been tested only in the case of the 1932 special mayoralty election in Cleveland. Home rule was sustained. By the terms of the home rule article certain elections must be conducted by election authorities provided by general law. Although there is nothing to require it so to do, every charter confides all its elections, including regular elections for municipal officers, to the same statutory authorities. Since the statutes are written in the same contemplation, the question has not yet arisen whether a charter can impose duties in municipal affairs upon state authorities. A charter provision failed, attempting to prescribe the use of voting machines in county, state and school elections. The election machinery provided by statute is unnecessarily expensive, but there would be no economy in setting up a separate system, unless the statute should authorize municipalities to conduct school elections which occur at the same time.

In flight from the statutory scheme of partisan primary and election, Cleveland's first and certain other early charters went to the Bucklin preferential voting system, locally known as the Mary Ann ballot. This achievement is not now a boast, nor emulated recently. Cincinnati and Hamilton have P. R.; Ashtabula and Cleveland had it. Charters or revisions embodying P. R. have been rejected by Canton, Toledo, and Zanesville. Some charters preserve the primaries in nonpartisan form; some are content with petitions nominating directly to plurality elections. Some cities elect councils from wards; others, at large; some for overlapping terms of four years, others for two year terms expiring together; the results, being carefully appraised, are inconclusive. The initiative and referendum are in a position almost exactly parallel to that of civil service.

THE FRAME OF GOVERNMENT

Charter municipalities cannot be fettered in their choice of governmental designs: ". . . the people of the municipality are given power to construct the machinery of their own local government and to operate it themselves."[1] Three small cities and three villages have escaped the municipal code of 1902 without charters, by adopting the optional statutory manager plan.

Sixteen of the thirty-three charters now provide for the city manager plan, some by no means conforming to accepted theory. Cincinnati is now the only manager city which did not embody that plan in its first charter. Akron's charter provided a manager under the title "Chief Administrator," the plan being amended out after a short interval by providing for an elective mayor and giving him the chief administrator's powers. Cleveland went to and from the plan by amendment. Toledo has rejected four manager plan proposals, submitted in pairs at two elections, by way of muddying the waters. Lakewood, Zanesville, perhaps others, rejected manager amendments; Canton, perhaps others, rejected a manager charter. A few manager charters designate the legislative body as the "commission"; but there is no commission government in Ohio. Most of the non-manager charters embody the strong mayor idea, the degree of strength varying greatly. Boards and commissions existing in derogation of the manager and strong mayor principles survive in several cases as vestiges of the old municipal code.

OF THE WRITING OF CHARTERS

The making and amendment of charters is of local self-government, but the municipality may not choose the manner of so doing. Nor may statute prescribe it. The constitution speaks, exclusively. A number of Ohio charters vainly echo the constitutional provisions about amending, with variations and additions, requiring, e.g., that amendment petitions be filed with the county election board. The court decided that the constitution contemplates their filing with council, and they have no force unless filed there. Yet amendments filed with election boards have been adopted and never challenged thereupon; most would certainly be sustained. For the submission is in any case made by ordinance and that when passed by two-thirds vote, which is usual, is valid without regard to the petition. So also Cincinnati's three man appointive revisory commission of 1926, though authorized by charter, had no power to propose to the voters its product—which nevertheless became the present Cincinnati charter, as council submitted it. A council may not exercise its judgment as to the probable validity of a petitioned amendment; if the petition meets the constitutional requirements, it must be submitted. An entire charter text can be repealed, an entire new submitted, in a single amendment. The court compelled an election board to perform its constitutional duty of conducting an election upon a charter amendment, rejecting the defense that the city clerk had neglected his constitutional duty to distribute copies to the electors. One is warranted in believing, though the decision did not so declare, that the amendment would have been valid had it been adopted.

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[1] But local self-government extends to two only of the three great branches. The courts belong exclusively to the state.

In the case in which it was decided that a city could not abandon a charter by adopting a statutory plan, the court remarked that "The only mode of changing a charter legally adopted is by amendment." This dictum may be doubted.[1] While the constitution does not specifically authorize the choosing of charter commissions and the adoption of charters subsequent to the first, there is no reason for doubting the power. Toledo set up a second commission, whose work was rejected. It would seem that a subsequent commission can propose nothing less than a complete superseding charter, though it desires no more than to offer a few amendments.

Space is not available for a thorough analysis of the substance of charters. Some by reference embody large portions of statute, or accept statutory control in matters not specifically treated. Others provide fully for all subjects, excluding the rule of statute so far as the constitution permits. Quite a few charters follow in greater or less fidelity the pattern of the *Model City Charter*. There is excellent draftsmanship to be found, and then, crowning the heap of charters which exhibit another sort, there is the latest Cleveland revision. Its draft was amazingly bad when first proposed, and deteriorated with each of the defeats which preceded its adoption in 1931.

AND THE EXTENT OF CHARTER MAKING

Theoretically it should be simple to procure an actual list of Ohio municipalities having home rule charters. Actually it is not, and the list supporting the accompanying tabulation may not be complete. Be assured that any error in it consists only in the omission of some few undetected small charter cities and villages, whose inclusion could not appreciably alter the picture. In point of numbers of municipalities with charters, thirty-three out of 861 possibilities[1] seem a small advance. The population figures afford a juster view.

It is still more difficult to obtain data on movements for charters which have failed. At least one village and three cities, the four having at present a combined population of about 45,000, rejected proposals to have commissions frame charters; at least eight charterless cities, present combined population

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[1] Quaere also, whether a charter municipality may not by amendment abandon its charter status?

[1] Chippewa-on-the-Lake probably could not adopt a charter, for lack among its 22 inhabitants of 15 electors to man the charter commission.

Population Group	Total of Group			Charter Municipalities		
	Num.	1930 Pop.	% State	Num.	1930 Pop.	% Group
Cities						
Over 100,000	8	2,663,801	40	7	2,558,895	96
50,001 to 100,000	4	242,373	4	4	242,373	100
25,001 to 50,000	14	293,449	4	5	181,397	62
10,001 to 25,000	33	513,498	8	7	114,105	22
5,000 to 10,000	51	359,925	5	6	39,822	11
Total Cities	110	4,073,046	61	29	3,136,592	77
Villages						
22 to 4,999	752	715,327	11	4	5,455	0.8
Total Municipalities	862	4,788,373	72	33	3,142,047	65
% of State		72			47	
Unincorporated		1,858,324	28			

almost 300,000, have had commissions; curiously, in some the vote was overwhelming for having a commission, and then overwhelming against the charter proposed.

SCANT SPACE FOR SUMMARY AND APPRAISAL, BUT—

It may be freely confessed that the home rule situation in Ohio is short of perfection. In the very important matter of finance, the grant has proved partial, disappointing, and ineffective. A few more cases are needed to determine whether the excess condemnation provisions are a total loss. As to utilities, there are disappointments, but the gains are greater. A vacillating supreme court has never got its feet upon firm bottom of the subject, and our home rule jurisprudence is of strangely mixed character. The devotee of home rule principles may take more comfort from it than torment. The situation as to police and sanitary powers is by no means unsatisfactory. Home rulers can hardly wish more freedom and more ample powers than Ohio municipalities have in respect of the structure and articulation of their governments, of the manner of electing officers, and of other important affairs. The constitution not only promised local self-government, but actually broke the soil as well for its growth and development in ways and degrees which it would take many pages to recount. There are in the Ohio constitution particular provisions affecting municipalities which other states would do wisely to avoid or to improve upon. But Ohio's basic plan, that home rule should be self-executing, has proved correct. Charter cities have not been alone in benefiting. The entire civic life of the state has gained immeasurably by reason of home rule.

The Bonded Debt of 289 Cities as at January 1, 1932

MR. RIGHTOR's tenth annual tabulation and analysis of city debts. The trend was still upward

BY C. E. RIGHTOR

Detroit Bureau of Governmental Research

THE tabulation presented herewith reports the total gross bonded indebtedness as at January 1, 1932, of 273 cities in the United States and 16 cities in Canada, with a subdivision of this total into three general classes by purposes—general public improvements, schools, and utilities; the total sinking fund, with a similar subdivision reported in percentages; the net total bonded debt; the net bonded debt to be retired from taxation (reported as "excluding self-supporting"), both total and per capita; and the total gross special assessment debt.

The data are presented in the same manner as in previous tabulations. The cities are listed in order of population according to the official census of 1930, and by the five census groups. It is believed these figures are more acceptable than subsequent estimates. The Canadian cities are listed according to latest available population estimates.

This table attempts to present in a concise form an up-to-date statement of the total amount of bonded debt outstanding as a liability of the property and citizens of each community. The objective is simple, and undoubtedly highly desirable, yet its accomplishment meets many difficulties. What, precisely should be included as the debt for which a city's property values are responsible? It is found that part of the indebtedness which properly should be included involves in many instances other units of government than the city, some of which are independent units, wholly or partially overlapping the city. Further, local statutory provisions relative to what constitutes indebtedness must sometimes be ignored. As examples, Chicago includes sanitary district but omits forest preserve; Los Angeles and Dayton omit flood control, while Wichita Falls includes irrigation district; New Orleans omits port and levee district bonds, while Milwaukee includes its portion of a metropolitan sewage debt.

The tabulation does not take account of the city's portion of state or county debt. Boston excludes county bonds, although paying their entire cost, while Philadelphia, Baltimore, Denver, Richmond and a few others have no county debt. The figures for these special cases are entered in as consistent a manner as possible. After all, it is fortunate that the large majority of cities raises no problems but permits of tabulation in conformity with the established schedule. It is essential that reference be made to the footnotes in all cases, however, in order that the true status of any city be ascertained. Utility debt other than for water is specifically itemized by a footnote.

As heretofore, temporary debt is not

included in the compilation. In reporting the net debt, it has been deemed desirable to show separately the amount which is a tax liability, by excluding from the total net debt the amount which is to be retired by revenue-producing services. The columns "Excluding self-supporting" report this net figure, and the only per capita computation is upon this basis.

Special assessment debt, commonly, but by no means universally, availed of to finance local improvements, through bonds issued upon the faith and credit of the city but usually fully offset by assessments receivable, is reported as to gross total, but is not included in the net debt reported.

EXTENT OF LOCAL DEBT

President Hoover recently reported that of a total governmental indebtedness of $30,600,000,000, local debt comprised $12,600,000,000. It is found that the gross debt of the 273 American cities included in this tabulation totals $7,778,000, or over 61 per cent of that total.

For thirty-three of the largest cities, included in the first of these tabulations ten years ago and also in the current one, it is interesting to learn that their net bonded debt increased from $2,608,000,000 to $4,633,000,000 or 77 per cent. The population of these cities increased during the decade from 21,873,778 to 26,204,091, or 20 per cent. The per capita net debt increase was from $119.27 to $176.82 for the period.

RANGE IN PER CAPITA DEBT

The table shows a wide range in per capita net debt, excluding self-supporting. Except for Washington, which has no debt, the figures vary from $6.07 for Springfield, Illinois, to $375.61 for Atlantic City.

For group I, the range is from $70.40 to $213.72, for St. Louis and Philadelphia, respectively; for group II, Seattle reports $69.91, and Newark, $162.29; for group III, Peoria is low, with $17.09, and Miami high, with $242.83; for group IV, the low and high cities are Springfield and Atlantic City, as already noted; and for group V, the range is from Bloomington, $7.40, to White Plains, $285.59. For the Canadian cities, the range in the net per capita debt is from Winnipeg, $45.46, to Edmonton, $250.94.

As has been suggested in past years, an analysis of the reasons for such a wide spread in the extent of local debt would be of interest, but is not undertaken. For example, it would be found that all (fourteen) Illinois cities reporting have a very much lower per capita debt than their group average, and three have no general city debt. Of eighteen New Jersey cities, fifteen report a debt much higher, and only two lower, than the group average. Again, twenty-four Massachusetts cities have a substantial debt but all are lower than the group average, and nineteen Ohio cities report ten above and nine below the average, with no outstanding deviations.

TREND OF DEBT

To ascertain the trend of municipal debt, a comparison was made of the net per capita debt (excluding self-supporting) for this year and one year ago, using the "group per capita" figures.

The trend is found to be slightly upward, for the 219 comparable cities included in the analysis. The per capita debt was $109.04 for 1931, and is $114 for 1932, an increase of $4.96, as compared with an increase of $4.92 one year ago. Of this total, 114 reported a reduction, 104 an increase, and one, no change. All but six of the twenty-four cities in the first two census groups reported increases, while the smaller cities predominated in reporting reductions. For twelve comparable Canadian cities, the increase in net per capita was $1.01, from $114.92 in 1931 to $115.93 this year. The corresponding increase last year was $9.86.

The trend over a four-year period, for 73 comparable cities in the first three census groups, shows an increase in per capita net debt from $92.84 in 1929 to $100.66, $106.65, and $113.97, respectvely, in the next three years. The general upward swing of this per capita figure is common to each census group and to each year.

It seems probable that the increase in debt for the current year would be somewhat revised were temporary loans and unsold bonds to be considered. The *Bond Buyer* recently listed nearly a quarter billion dollars of bonds which had been formally placed on sale without success because of absence of a market, commenting: "It is assumed that most of this contemplated borrowing represents actual needs and that further attempts to place the loans will be made when normal credit conditions return."

The demand continues for financing cities by borrowing. The *Bond Buyer* reported sale of $1,250,000,000 of state and local bonds during 1931, a reduction of about ten per cent from the amount sold in 1930. The reduction was offset, however, by the increase in short-term loans. That journal reported also that voters authorized $474,489,000 of bonds during 1931 compared with $626,059,000 during 1930, and rejected $133,474,000 compared with $280,093,000 the preceding year. The violent changes in the marketing of these securities have been described in recent numbers of the REVIEW.

A highly critical bond buying market, extensive unsold bonds and short-term notes, and increasing debt charges, coupled with growing tax delinquency, constitute serious problems to the public officials who are charged with the responsibility for carrying on the essential services of the government, and, in many cities, faced with emergency relief expenditures upon an unprecedented scale. A degree of appreciation of these problems and sympathy by the public for the financial officials who must cope with them is needed, in order that our cities may sustain their credit standing and yet continue upon an adequate plane of operation. There is no substitute for the payment of taxes.

Comparison of debt with assessed valuation of any city may be made by referring to the tabulation of tax rates published in the December, 1931, REVIEW. It will be noted that an estimate of the ratio of assessed to actual value was reported as a basis for computing full property value.

The cordial coöperation of a large number of public officials in the 309 cities in the United States and 17 cities in Canada is acknowledged, as only through their efforts, in some instances supplemented by citizen agencies, has the study been made possible. It is hoped that this assistance may continue.

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932

Compiled by the Detroit Bureau of Governmental Research, Inc.
From Data Furnished by Members of the Governmental Research Association, City Officials, and Chambers of Commerce

		Gross Bonded Debt				Sinking Fund				Net Bonded Debt				
City	Census 1930	General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting	Total gross special assessment debt	No.
GROUP I														
Pop. 500,000 and over														
1. New York, N. Y.[1]	6,930,446	$532,775,850	$366,427,223	$1,254,358,921	$2,153,561,994	$508,976,311	...	...	...	$1,644,585,683	$1,145,054,815	$165.22	$92,539,000	1
2. Chicago, Ill.[2]	3,376,438	328,764,190	27,300,000	8,110,000	364,174,690	N.	...	...	...	364,174,690	364,174,690	107.86	....	2
3. Philadelphia, Pa.[3]	1,950,961	537,602,900	70,811,000	....	608,413,900	131,455,319	81	19	...	476,958,581	416,958,581*	213.72*	N.	3
4. Detroit, Mich.[4]	1,568,662	170,693,731	71,521,520	121,101,000	363,316,251	38,965,057	41	29	30	324,351,194	236,260,638	150.61	10,687,487	4
5. Los Angeles, Calif.[5]	1,238,048	46,208,537	50,863,636	110,851,650	207,923,823	3,393,251	...	...	100	204,530,572	97,071,173	78.41	11,072,000	5
6. Cleveland, Ohio[6]	900,430	91,615,686	24,401,000	31,073,500	147,090,186	17,548,042	72	14	14	129,542,144	100,917,857	112.08	9,620,327	6
7. St. Louis, Mo.	821,960	65,929,000	2,063,000	10,411,000	78,403,000	11,716,811	77	9	14	66,686,189	57,948,011	70.50	N.	7
8. Baltimore, Md.	804,874	133,805,505	27,156,274	33,342,500	194,304,279	30,686,487	87	4	9	163,617,792	133,052,690	165.31	N.	8
9. Boston, Mass.[7]	781,188	86,239,101	7,245,000	65,016,700	158,500,801	40,265,120	61	10	29	118,235,681	65,071,370	83.30	....	9
10. Pittsburgh, Pa.	669,817	52,541,500	25,075,209	8,161,000	85,777,709	5,490,422	56	36	8	80,287,287	72,542,894	108.30	....	10
11. San Francisco, Calif.[8]	634,394	34,469,300	14,250,000	103,653,000	152,372,300	3,831,100	27	18	55	148,541,200	95,969,200	151.28	N.	11
12. Milwaukee, Wis.[9]	578,249	58,388,083	9,706,000	15,000	68,109,083	3,965,996	79	20	1	64,143,087	64,183,087	110.93	N.	12
13. Buffalo, N. Y.	573,076	49,632,913	29,923,973	17,727,020	97,283,906	8,827,859	34	...	66	88,456,047	76,522,561	133.53	1,396,671	13
GROUP II														
Pop. 300,000 to 500,000														
14. Washington, D. C.	486,869	(No Bonded Debt)												14
15. Minneapolis, Minn.[10]	464,356	27,892,675	24,138,952	4,292,000	56,323,627	7,002,407	57	34	7	49,321,220	46,189,750	99.47	9,013,654	15
16. New Orleans, La.[11]	458,762	54,390,000	6,140,000	3,000,000*	63,530,000	N.	...	...	...	63,530,000	60,530,000	131.94	11,566,820	16
17. Cincinnati, Ohio[12]	451,160	53,735,437	17,753,000	43,488,530	114,976,967	38,277,855	52	8	40	76,699,112	44,877,127	99.47	5,362,220	17
18. Newark, N. J.[13]	442,337	38,625,000	21,301,200	46,329,000	106,255,200	14,283,600	54	27	19	91,971,600	71,785,341	162.29	9,300,000	18
19. Kansas City, Mo.	399,746	20,346,000	22,576,500	12,250,000	55,272,500	9,663,896	17	67	16	45,608,604	34,954,120	87.44	800,000	19
20. Seattle, Wash.[14]	365,583	16,843,500	12,091,860	48,686,400	77,621,760	4,113,000	91	9	...	73,508,760	25,559,360	69.91	25,491,678	20
21. Indianapolis, Ind.[15]	364,161	17,879,000	11,035,000	N.	28,914,830	1,429,151	57	43	...	27,485,679	27,485,679	75.48	6,373,244	21
22. Rochester, N. Y.	328,132	26,961,500	13,979,560	12,341,000	53,282,060	7,171,610	22	10	68	46,110,450	38,641,816	117.76	12,326,500	22
23. Jersey City, N. J.[16]	316,715	26,145,300	15,889,500	18,870,255	60,905,055	9,425,523	28	17	55	51,479,462	37,744,148	119.17	1,617,667	23
24. Louisville, Ky.[17]	307,745	23,563,900	10,466,400	1,079,000	35,109,300	6,211,181	79	13	8	28,898,119	28,338,532	92.08	....	24
25. Portland, Ore.[18]	301,815	26,225,940	10,177,847	21,097,000	57,500,787	8,312,823	45	...	55	49,187,964	32,648,550	108.17	7,663,177	25
GROUP III														
Pop. 100,000 to 300,000														
26. Houston, Texas	292,352	32,981,000	12,355,500	4,165,000	49,501,500	3,936,738	57	28	15	45,564,762	41,982,605	143.60	N.	26
27. Toledo, Ohio	290,718	28,249,000	13,946,000	1,376,000	43,571,000	3,140,358	72	28	...	40,430,642	39,054,642	134.34	2,138,044	27
28. Columbus, Ohio[19]	290,564	21,236,340	9,895,168	9,779,500	40,911,008	13,194,968	60	26	14	27,716,040	21,759,957	74.89	9,670,109	28
29. Denver, Colo.[20]	287,861	2,144,500	9,574,500	34,751,200	46,470,200	447,655	63	...	37	46,022,545	25,049,203	87.02	9,330,400	29
30. Oakland, Calif.[21]	284,063	3,806,791	11,803,171	44,113,000	59,722,692	707,454	36	...	64	59,015,508	22,549,908	79.38	4,198,771	30
31. St. Paul, Minn.	271,606	18,440,000	10,698,000	7,041,000	36,179,000	4,968,620	83	...	17	31,210,380	25,010,888	92.08	7,400,000	31
32. Atlanta, Ga.	270,366	7,108,000	5,958,000	3,141,000	16,207,000	3,074,703	55	26	19	13,132,297	10,575,244	39.11	1,230,000	32
33. Dallas, Texas	260,475	18,490,500	8,058,500	9,859,000	36,408,000	1,975,509	50	17	33	34,432,491	25,230,095	96.86	N.	33
34. Birmingham, Ala.	259,678	9,723,000	10,163,000	100,000	19,986,000	1,110,502	100	...	...	18,875,498	18,775,498	72.30	5,611,000	34
35. Akron, Ohio	255,040	21,671,365	9,748,948	10,929,000	42,349,313	1,821,239	8	20	72	40,649,074	30,923,062	121.25	6,511,215	35
36. Memphis, Tenn.	253,143	16,275,000	6,218,000	6,367,000	28,860,000	2,548,819	26	25	49	26,311,181	21,183,931	83.68	933,000	36

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP III—Continued Pop. 100,000 to 300,000														
37. Providence, R. I.	252,981	21,089,000	12,900,000	18,500,000	52,489,000	14,941,894	49	16	35	37,547,106	24,231,161	95.78	N.	37
38. San Antonio, Texas	231,542	17,053,500	7,511,000	6,647,000	31,211,500	1,284,890	51	41	8	29,926,610	23,387,874	101.00	N.	38
39. Omaha, Neb. [22]	214,006	14,840,000	9,117,500	8,915,000	32,873,225	4,672,432	23	9	68	28,200,793	22,453,758	104.92	5,781,500	39
40. Syracuse, N. Y.	209,326	14,496,165	10,232,601	6,671,250	31,401,016	N.	...	...	...	31,401,016	24,729,766	118.14	4,494,000	40
41. Dayton, Ohio [23]	200,982	11,092,725	8,585,102	4,832,000	24,509,827	2,355,387	71	...	39	22,154,440	18,001,699	89.57	1,663,037	41
42. Worcester, Mass.	195,311	7,154,000	1,061,000	4,272,000	12,487,000	1,096,667	52	...	48	11,390,333	7,646,216	39.14	N.	42
43. Oklahoma City, Okla.	185,389	12,830,900	7,128,200	6,421,800	26,430,900	6,722,376	48	12	40	19,708,524	15,893,124	85.73	6,712,059	43
44. Richmond, Va. [24]	182,929	24,850,652	6,189,438	7,155,550	38,195,630	9,902,411	71	15	14	28,293,219	22,509,983	123.05	N.	44
45. Youngstown, Ohio	170,002													45
46. Grand Rapids, Mich.	168,592	8,243,000	4,109,805	3,205,000	15,557,805	2,081,477	52	...	48	13,476,328	11,264,009	66.81	3,819,500	46
47. Hartford, Conn.	164,072	12,757,000	7,948,099	4,205,000	24,910,099	4,020,077	61	24	15	20,890,022	17,306,235	105.48	... ...	47
48. Fort Worth, Texas	163,447	16,249,000	4,692,000	5,893,000	26,834,000	3,117,836	46	30	24	23,716,164	18,584,687	113.70	N.	48
49. New Haven, Conn.	162,655	15,018,000	506,000	N.	15,524,000	990,111	...	...	...	14,533,889	14,533,889	89.35	N.	49
50. Flint, Mich.	156,492	8,076,500	8,808,000	2,682,500	19,567,000	1,760,421	28	32	40	17,806,579	15,834,269	101.18	2,900,000	50
51. Nashville, Tenn. [25]	153,866	11,122,000	2,061,000	4,062,000	17,245,000	1,229,107	...	...	...	16,015,893	11,953,893	77.69	....	51
52. Springfield, Mass.	149,900	8,013,350	2,677,650	7,549,000	18,240,000	N.	...	...	...	18,240,000	10,691,000	71.32	N.	52
53. San Diego, Calif.	147,995	3,985,466	5,195,775	11,475,309	20,656,550	N.	...	...	...	20,656,550	20,656,550	139.58	....	53
54. Bridgeport, Conn.	147,716	10,312,000	4,569,000	N.	14,881,000	N.	...	...	...	14,881,000	14,881,000	100.74	N.	54
55. Scranton, Pa.	143,433	2,528,000	6,841,000	N.	9,369,000	842,017	12	88	...	8,526,983	8,526,983	59.45	948,519	55
56. Des Moines, Ia.	142,559	5,264,800	7,749,500	5,633,000	18,647,300	620,464	...	..	100	18,026,836	13,014,300	91.29	....	56
57. Long Beach, Calif. [26]	142,032	11,525,381	7,698,929	6,652,000	25,876,310	584,035	....	58	42	25,292,275	18,884,275	132.96	....	57
58. Tulsa, Okla.	141,258													58
59. Salt Lake City, Utah	140,267	3,338,500	4,394,000	4,684,000	12,416,500	258,880	4	96	...	12,157,620	7,473,620	53.28	1,146,550	59
60. Paterson, N. J.	138,513	9,452,864	7,914,500	12,037,000	29,404,364	2,621,374	63	37	...	26,582,990	14,545,990	105.02	....	60
61. Yonkers, N. Y.	134,646	15,813,200	10,813,000	4,094,500	30,720,700	N.	...	...		30,720,700	26,626,200	197.75	3,127,000	61
62. Norfolk, Va. [27]	129,710	17,970,179	6,119,251	16,067,870	40,157,300	9,780,166	68	...	32	30,377,134	17,425,990	134.35	N.	62
63. Jacksonville, Fla. [28]	129,549	6,648,500		5,422,500	12,071,000	870,000	67	..	33	11,201,000	6,648,500		1,561,000	63
64. Albany, N. Y.	127,413	11,846,805	5,077,950	12,177,000	29,101,755	1,988,805	88	. .	12	27,112,950	15,163,593	119.01	3,595,000	64
65. Trenton, N. J.	123,356	10,926,960	7,616,050	844,000	19,387,010	3,111,020	55	28	17	16,275,990	15,963,140	129.41	403,000	65
66. Kansas City, Kans. [29]	121,857	3,881,075	1,904,000	6,422,000	12,207,075	2,232,912	8	13	79	9,974,163	5,322,947	43.68	3,181,316	66
67. Chattanooga, Tenn.	119,798	13,563,500	......	N.	13,563,500	253,000	...	...	...	13,310,500	13,310,500	111.11	1,300,000	67
68. Camden, N. J.	118,700	15,968,585	4,215,000	1,481,350	21,664.935	2,718,327	67	23	10	18,946,608	17,739,047	149.44	1,974,500	68
69. Erie, Pa.	115,967	6,432,000	5,400,000	1,500,000	13,332,000	723,490	...	...	..	12,608,510	11,108,510	95.79	1,564,674	69
70. Spokane, Wash.	115,514	2,451,400	1,473,000	900,000	4,824,400	398,635	21	64	15	4,425,765	3,584,498	31.03	1,538,035	70
71. Fall River, Mass.	115,274	8,236,500	2,731,500	587,000	11,554,500	1,296,000	74	...	26	10,258,500	10,006,500	86.81	N.	71
72. Fort Wayne, Ind.	114,946	1,031,500	3,678,000	1,593,000	6,302,500	N.	...	...	...	6,302,500	4,709,500	40.97	....	72
73. Elizabeth, N. J.	114,589	2,197,750	6,141,350	5,023,277	13,362,377	637,650	...	...	..	12,724,727	7,701,450	67.21	4,933,773	73
74. Cambridge, Mass.	113.643	9.132,900	1,544.250	1,382,000	12,059,150	3,015,248	87	...	13	9,043,902	8,059,402	70.92	N.	74
75. New Bedford, Mass.	112,597	5,612,000	2,652,000	1,260,000	9,524,000	786,228	...	...	...	8,737,772	7,477,772	66.41	N.	75
76. Reading, Pa.	111,171	4,367,000	5,809,400	868,000	11,044,400	290,357	53	47	...	10,754,043	9,886,043	88.93	218,000	76
77. Wichita, Kans.	111,110	3,865,942	1,635,000	N.	5,500,942	N.	...	..	...	5,500,942	5,500,942	49.51	437,936	77
78. Miami, Fla. [30]	110,637	20,172,000	6,936,000	3,205,000	30,313,000	242,299	8	92	...	30,070,701	26,865,701	242.83	7,879,000	78
79. Tacoma, Wash. [31]	106,817	3,089,000	2,156,000	12,719,995	17,964,995	520,787	94	...	6	17,444,208	4,752,774	44.49	2,018,541	79

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP III—Continued **Pop. 100,000 to 300,000**														
80. Wilmington, Del.[32]	106,597	6,063,300	986,000	7,300,000	14,349,300	1,052,246	97	...	3	13,297,054	6,026,621	56.54	N.	80
81. Knoxville, Tenn.	105,802	18,087,485	....	4,755,095	22,842,580	1,118,803	...	...	...	21,723,777	16,968,682	160.38	2,374,128	81
82. Peoria, Ill.	104,969	1,435,000	359,000	N.	1,794,000	N.	.	..	...	1,794,000	1,794,000	17.09	1,700,000	82
83. Canton, Ohio	104,906	5,787,900	5,929,000	1,242,600	12,959,500	3,396,464	77	15	8	9,563,037	8,582,152	81.81	2,628,432	83
84. South Bend, Ind.	104,193	1,760,000	3,665,000	890,000	6,315,000	60,946	44	...	56	6,254,054	5,398,362	51.81	6,065,833	84
85. Somerville, Mass.	103,908	884,000	2,441,000	N.	3,325,000	N.	...	...	...	3,325,000	3,325,000	32.00	....	85
86. El Paso, Texas	102,421	4,988,977	2,927,000	1,977,000	9,892,977	1,443,415	56	32	12	8,449,562	6,641,487	64.84	499,000	86
87. Lynn, Mass.[33]	102,320	7,235,500	....	1,024,000	8,259,500	578,700	33	...	67	7,680,800	7,044,917	68.85	....	87
88. Evansville, Ind.	102,249	945,000	2,484,500	1,862,200	5,291,700	19,351	100	...	...	5,272,349	3,410,149	33.35	699,885	88
89. Utica, N. Y.	101,740	9,073,992	1,667,965	....	10,741,957	1,059,521	...	...	...	9,682,436	9,682,436	95.17	968,723	89
90. Duluth, Minn.	101,463													90
91. Tampa, Fla.	101,161	7,956,000	4,681,000	2,865,000	15,502,000	1,333,656	69	28	3	14,168,344	11,336,453	112.06	3,130,000	91
92. Gary, Ind.	100,426	2,471,297	3,564,000	N.	6,035,297	34,192	100	...	...	6,001,105	6,001,105	59.76	5,186,843	92
93. Lowell, Mass.	100,234	3,069,450	1,079,250	788,000	4,936,700	N.	...	...	...	4,936,700	4,148,700	41.39	....	93
GROUP IV **Pop. 50,000 to 100,000**														
94. Waterbury, Conn.	99,902	7,264,000	1,676,000	7,095,000	16,035,000	168,472	100	...	...	15,866,528	8,771,528	87.80	N.	94
95. Schenectady, N. Y.	95,692	5,580,700	3,085,900	677,000	9,343,600	116,265	98	...	2	9,227,335	8,553,331	89.38	2,026,969	95
96. Sacramento, Calif.	93,750	4,541,175	5,050,000	3,435,530	13,026,705	N.	..	...	...	13,026,705	9,591,175	102.31	1,948,339	96
97. Allentown, Pa.	92,563	5,020,000	4,443,500	N.	9,463,500	682,650	52	48	...	8,780,850	8,780,850	94.86	657,100	97
98. Bayonne, N. J.	88,979													98
99. Wilkes-Barre, Pa.	86,626	3,360,500	852,000	N.	4,212,500	100,850	31	69	...	4,111,650	4,111,650	47.46	85,500	99
100. Rockford, Ill.	85,864	347,000	925,000	225,000	1,497,000	193,900	22	52	26	1,303,100	1,128,100	13.14	3,178,590	100
101. Lawrence, Mass.	85,068	3,077,500	1,483,000	236,000	4,796,500	45,925	.	...	100	4,750,575	4,560,500	53.61	....	101
102. Savannah, Ga.	85,024	4.206,000	323,000	200,000	4,729,000	261,500	100	...	...	4,467,500	4,267,500	50.19	391,982	102
103. Charlotte, N. C.	82,675													103
104. Berkeley, Calif.	82,109	864,240	310,000	N.	1,174,240	N.	...	...	...	1,174,240	1,174,240	14.30	261,978	104
105. Altoona, Pa.	82,054	1,407,000	4,844,500	1,458,000	7,709,500	1,222,268	38	25	37	6,487,232	5,481,901	66.81	1,287,200	105
106. Little Rock, Ark.	81,679	4,095,000	2,323,000	N.	6,418,000	18,208	100	...	...	6,399,792	6,399,792	78.35	3,274,204	106
107. St. Joseph, Mo.	80,935	4,097,000	2,622,000	N.	6,719,000	187,112	33	67	...	6,531,888	6,531,888	80.72	N.	107
108. Saginaw, Mich.	80,715	1,730,000	1,540,000	3,449,000	6,719,000	342,346	19	23	58	6,376,654	3,123,416	38.70	1,462,000	108
109. Harrisburg, Pa.	80,339	4,960,200	3,231,500	N.	8,191,700	307,066	50	50	...	7,884,634	7,884,634	98.14	506,400	109
110. Sioux City, Ia.	79,183	2,256.000	1,523,000	50,000	3,829,000	511,216	77	23	...	3,317,784	3,267,784	41.24	N.	110
111. Lansing, Mich.[34]	78,397	2,084,000	N.	4,189,900	6,273,900	637,835	16	...	84	5,636,065	1,985,226	25.32	373,000	111
112. Pawtucket, R. I.	77,149	8,784,000	3,708,000	3,215,000	15,707,000	2,917.393	87	...	13	12,789,607	9,953,706	129.02	....	112
113. Manchester, N. H.	76,834	3,090,462	1,486,538	102,000	4,679,000	N.	...	...	...	4,679,000	4,577,000	59.57	N.	113
114. Binghamton, N. Y.	76,662	3,059,219	4,141.600	70,000	7,270,819	127,503	100	...	...	7,143,316	7,073,316	92.27	223.055	114
115. Shreveport, La.	76,655	4.931,750	1,910,000*	3,328.500	10,170,250	730	...	...	...	10,169,520	6,841,020	89.24	N.	115
116. Pasadena, Calif.[35]	76,086	4,555,969	4,302,000	1,279,481	10,137,450	174,961	...	...	...	9,962,489	8,683,009	114.12	3,468,444	116
117. Lincoln, Neb.[36]	75,933	658,758	4,139,686	200,600	4,999,044	444,482	13	42	45	4,554,562	4,554,562	59.98	2,116,318	117
118. Huntington, W. Va.	75,572	1,925,000	1,315,500	N.	3,240,500	367,611	97	...	3	2,872,889	2,872,889	38.02	....	118
119. Niagara Falls, N. Y.	75,460	5,987,940	5,803,129	1,859,730	13,650,799	229,815	.	...	100	13,420.984	11,790,869	157.21	190,939	119
120. Winston-Salem, N. C.	75,274	11,167,034	3,758,000	3,049,966	17,975,000	416,065	60	11	29	17,558,935	14,631,426	194.38	3,180,000	120

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group IV—Continued **Pop. 50,000 to 100,000**														
121. East St. Louis, Ill	74,347													121
122. Troy, N. Y.	72,763													122
123. Quincy, Mass.	71,983	2,425,500	2,476,000	660,000	5,561,000	N.	...	...	...	5,561,000	4.901,500	68.09	106,000	123
124. Springfield, Ill.	71,864	226,000	262,500	1,342,000	1,830,500	52,118	100	...	...	1,778,382	436,382	6.07	730,400	124
125. Portland, Me.	70,810													125
126. Lakewood, Ohio	70,509	2,973,500	3,863,500	181,000	7,018,000	736,106	...	...	...	6,281,894	6,100,894	86.53	426,600	126
127. Roanoke, Va.	69,206	5,390,000	2,650,000	N.	8,040,000	1,105,922	...	...	...	6,934,078	6,934,078	100.19	N.	127
128. Springfield, Ohio	68,743	4,456,687	1,876,000	510,000	6,842,687	860,212	91	9	...	5,982,475	5,472,475	79.61	891,794	128
129. Mobile, Ala.	68,202	2,817,000	1,000,000	1,940,000	5,757,000	1,425,956	96	4	...	4,331,044	2,391,044	35.06	4,509,000	129
130. New Britain, Conn.[37]	68,128	2,340,000	3,382,000	1,740,000	7,462,000	814,332	55	9	36	6,647,668	5,199,804	76.32	N.	130
131. East Orange, N. J.	68,020	5,632,500	3,523,245	1,634,000	10,789,745	1,599,071	11	29	60	9,190,674	8,522,881	125.30	....	131
132. Racine, Wis.	67,542	2,436,000	1,862,000	150,000	4,448,000	331,000	54	46	...	4,117,000	3,967,000	58.73	....	132
133. Johnstown, Pa.	66,993	4,414,000	3,912,000	N.	8,326,000	929,862	49	51	...	7,396,138	7,396,138	110.40	....	133
134. Cicero, Ill.	66,602													134
135. Atlantic City, N. J.	66,198	22,853,500	3,918,000	2,612,000	29,383,500	2,527,481	56	20	24	26,856,019	24,864,432	375.61	....	135
136. Montgomery, Ala.	66,079													136
137. Newton, Mass.	65,276	4,235,000	2,420,000	370,000	7,025,000	857,528	96	...	4	6,167,472	5,831,870	89.34	N.	137
138. Covington, Ky.	65,252	1,131,900	810,000	1,975,000	3,917,400	3,580	...	100	...	3,913,820	1,938,320	29.71	....	138
139. Pontiac, Mich.	64,928	3,913,250	4,113,075	1,614,000	9,640,325	917,378	...	96	4	8,722,947	7,142,963	110.01	2,092,300	139
140. Hammond, Ind.	64,560	1,054,170	1,762,500	869,000	3,685,670	122,191	69	31	...	3,563,479	2,694,479	41.74	....	140
141. Topeka, Kans.	64,120	1,754,911	1,892,249	816,400	4,463,560	284,973	24	19	57	4,178,587	3,525,821	54.99	1,529,581	141
142. Oak Park, Ill.	63,982	1,226,750	2,647,000	....	3,873,750	N.	...	...	...	3,873,750	3,873,750	60.54	1,901,800	142
143. Brockton, Mass.	63,797	1,565,500	403,500	1,678,200	3,647,200	677,828	...	...	100	2,969,372	1,968,000	30.85	....	143
144. Evanston, Ill.	63,338													144
145. Passaic, N. J.	62,959													145
146. Terre Haute, Ind.	62,810	1,153,000	1,345,000	N.	2,498,000	128,572	55	45	...	2,369,428	2,369,428	37.69	....	146
147. Glendale, Calif.	62,736	1,668,250	4,764,500	599,180	7,031,930	316,024	8	59	33	6,715,906	6,220,509	99.15	2,905,589	147
148. Charlestown, S. C.	62,265													148
149. Wheeling, W. Va.	61,659	1,216,200	10,000	2,000,000	3,226,200	363,775	11	...	89	2,862,425	1,184,782	19.22	N.	149
150. Mount Vernon, N. Y.	61,499	8,660,000	4,460,000	2,488,000	15,608,050	3,588,552	79	...	21	12,019,498	10,297,640	157.93	536,000	150
151. Davenport, Ia.	60,751	1,355,800	1,103,000	N.	2,458,800	59,097	100	...	...	2,399,703	2,399,703	39.50	601,243	151
152. Charleston, W. Va.	60,408	1,314,000	2,454,000	N.	3,768,000	636,534	73	27	...	3,131,466	3,131,466	51.84	....	152
153. Augusta, Ga.	60,342													153
154. Lancaster, Pa.	59,949	3,895,000	3,463,000	N.	7,358,000	1,072,851	39	61	...	6,285,149	6,285,149	104.84	17,600	154
155. Medford, Mass.	59,714	1,772,100	2,015,150	433,000	4,220,250	85,084	100	...	...	4,135,166	3,702,166	62.00	....	155
156. Hoboken, N. J.	59,261	5,565,018	3,381,635	285,000	9,231,653	1,741,611	53	43	4	7,490,042	7,282,237	122.88	131,000	156
157. Chester, Pa.	59,164	3,978,000	2,260,000	N.	6,238,000	1,332,005	39	61	...	4,905,995	4,905,995	82.92	375,200	157
158. Union City, N. J.	58,659	3,510,000	1,936,000	N.	5,446,500	670,180	82	18	...	4,776,320	4,776,320	81.43	....	158
159. Malden, Mass.	58,036	2,856,000	1,000,000	20,000	3,876,000	288,374	100	...	...	3,587,626	3,567,626	61.47	N.	159
160. Madison, Wis.	57,899	2,696,500	3,375,000	329,000	6,400,500	75,944	100	...	...	6,324,556	5,995,556	103.55	1,353,300	160
161. Bethlehem, Pa.	57,892	2,363,900	....	1,348,500	3,712,400	564,724	100	...	...	3,147,676	1,799,176	...	115,500	161
162. Beaumont, Texas[38]	57,732	5,160,500	2,426,638	2,729,250	10,316,388	816,380	34	23	43	9,500,008	7,123,258	130.15	N.	162
163. San Jose, Calif.	57,651													163

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

		Gross Bonded Debt				Sinking Fund				Net Bonded Debt				
City	Census 1930	General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting	Total gross special assessment debt	No.
Group IV—Continued Pop. 50,000 to 100,000														
164. Springfield, Mo.	57,527	855,000	1,872,500	N.	2,727,500	179,783	59	41	...	2,547,717	2,547,717	44.29	N.	164
165. Decatur, Ill.	57,510	481,933	1,211,000	376,000	2,068,933	384,348	33	67	...	1,684,585	1,308,585	22.75	2,469,896	165
166. Irvington, N. J.	56,733	3,629,256	4,160,150	N.	7,789,406	304,663	73	27	...	7,484,743	7,484,743	131.93	121,744	166
167. Holyoke, Mass. [39]	56,537	2,833,000	N.	1,845,000	4,678,000	226,500	...	...	...	4,451,500	2,833,000	50.11	....	167
168. Hamtramck, Mich.	56,268	3,037,206	3,560,000	523,000	7,120,206	943,003	52	48	...	6,177,203	5,654,203	108.18	113,155	168
169. Cedar Rapids, Ia.	56,097	2,061,500	1,525,000	860,000	4,446,500	253,338	...	100	...	4,193,162	3,333,162	59.42	....	169
170. York, Pa.	55,254	1,540,000	2,137,000	N.	3,677,000	593,765	78	22	...	3,083,235	3,083,235	55.80	N.	170
171. Jackson, Mich.	55,187	1,804,729	2,308,000	1,118,375	5,231,104	175,936	72	...	28	5,055,168	3,986,763	72.24	534,000	171
172. Kalamazoo, Mich. [40]	54,786	19,250	2,294,000	29,250	2,342,500	154,160	5	95	...	2,188,340	2,159,090	39.41	716,700	172
173. East Chicago, Ind.	54,784	1,265,000	1,563,000	2,390,000	5,218,000	309,678	4	...	96	4,908,322	2,815,102	51.39	1,210,722	173
174. McKeesport, Pa.	54,632	1,732,549	1,717,000	N.	3,449,549	119,358	12	88	...	3,330,191	3,330,191	60.96	566,196	174
175. New Rochelle, N. Y.	54,000													175
176. Macon, Ga.	53,829	986,000	1,204,000	360,000	2,550,000	N.	...	...	...	2,550,000	2,190,000	40.68	....	176
177. Greensboro, N. C.	53,569	6,615,864	871,000	2,792,858	10,279,722	336,139	85	...	15	9,943,583	9,200,509	188.22	5,045,278	177
178. Austin, Texas	53,120	4,911,500	1,254,750	257,000	6,423,250	113,064	...	...	...	6,310,186	6,053,186	113.95	N.	178
179. Highland Park, Mich.	52,959	2,668,400	3,715,000	1,207,626	7,591,026	3,228,092	76	24	...	4,362,934	3,155,308	59.58	65,000	179
180. Galveston, Texas	52,938	7,060,000	1,737,000	704,500	9,501,500	727,429	77	16	7	8,774,071	8,119,048	153.37	N.	180
181. Waco, Texas	52,848	3,095,000	1,696,700	2,631,000	7,422,700	1,353,307	47	23	30	6,069,393	3,841,545	72.69	N.	181
182. Fresno, Calif.	52,513	522,000	2,902,500	2,520,000	5,944,500	N.	...	...	...	5,944,500	3,424,500	65.21	N.	182
183. Hamilton, Ohio [41]	52,176	1,167,665	1,822,500	1,239,110	4,229,275	679,545	87	13	...	3,549,730	2,310,620	44.29	629,043	183
184. Durham, N. C.	52,037													184
185. Columbia, S. C.	51,581	2,890,000	1,610,750	692,000	5,192,750	384,080	20	58	22	4,808,670	4,199,468	81.42	191,000	185
186. Cleveland Hts. Ohio	50,945	1,802,961	7,230,500	N.	9,033,461	973,336	59	41	...	8,060,125	8,060,125	158.43	2,633,592	186
187. Port Arthur, Texas	50,902													187
188. Dearborn, Mich.	50,358	10,497,600	9,194,551*	2,398,000	22,090,151	2,983,466	76	9*	15	19,106,685	17,147,886	340.52	2,395,600	188
189. Kenosha, Wis.	50,262	412,500	2,733,000	215,000	3,360,500	N.	...	...	...	3,360,500	3,145,500	62.58	1,059,013	189
190. Asheville, N. C.	50,193													190
191. Pueblo, Colo.	50,096	703,000	1,565,000	1,405,000	3,673,000	179,805	13	12	75	3,493,195	2,223,717	44.39	1,523,300	191
GROUP V Pop. 30,000-50,000														
192. Pittsfield, Mass.	49,677	852,900	1,309,000	568,000	2,729,900	N.	...	...	...	2,729,900	2,161,900	43.52	74.000	192
193. Woonsocket, R. I.	49,376	7,355,000	1,205,000	1,040,000	9,600,000	1,431,368	89	6	5	8,168,632	7,202,678	145.87	N.	193
194. Haverill, Mass.	48,710	986,000	210,000	269,000	1,465,000	22,000	100	...	...	1,443,000	1,174,000	24.10	N.	194
195. New Castle, Pa.	48,674	950,000	2,310,000	N.	3,260,000	90,158	100	...	...	3,169,842	3,169,842	65.12	271,860	195
196. Everett, Mass.	48,424	1,353,500	1,225,000	119,000	2,697,500	174,656	100	...	...	2,522,844	2,403,844	49.64	285,900	196
197. Jackson, Miss.	48,282	2,744,819	1,169,041	1,026,400	4,940,260	N.	..	...	...	4,940,260	3,913,860	81.06	1,956,569	197
198. Phoenix, Ariz. [42]	48,118	2,577,500	1,731,000	5,591,000	9,899,500	315,247	48	42	10	9,584,253	8,168,500	169.76	2,265,128	198
199. Stockton, Calif. [43]	47,963	3,628,500	1,124,000	2,223,000	6,975,500	N.	...	...	...	6,975,500	4,752,500	99.09	505,049	199
200. Brookline, Mass.	47,490	1,244,025	1,177,400	346,000	2,767,425	N.	...	...	...	2,767,425	2,421,425	50.99	......	200
201. Elmira, N. Y.	47,397	1,635,000	930,000	875,000	3,440,000	N.	...	. .	. .	3,440,000	2,565,000	54.12	N.	201
202. Bay City, Mich.	47,355	380,500	1,590,000	1,726,000	3,696,500	917,620	18	74	8	2,778,880	1,122,977	23.71	52,000	202
203. Berwyn, Ill.	47,027													203
204. Clifton, N. J.	46,875													204

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group V—Continued														
Pop. 30,000 to 50,000														
205. Aurora, Ill.	45,589	2,070,033	810,000	217,500	3,097,533	N.	...	...	...	3,097,533	2,880,033	61.82	2,198,435	205
206. Muncie, Ind.	46,548													206
207. Stamford, Conn.	46,346													207
208. Waterloo, Ia.	46,191	743,779	1,448,000	265,000	2,456,779	149,212	68	17	15	2,307,566	2,065,084	44.71	84,900	208
209. Chelsea, Mass.	45,816	1,603,600	746,500	104,000	2,454,100	364,155	100	...	...	2,089,945	1,985,945	43.35	N.	209
210. Lexington, Ky.	45,736	1,329,570	706,000	N.	2,035,570	507,704	100	...	...	1,527,866	1,527,866	33.41	210,816	210
211. Williamsport, Pa.	45,729	967,000	1,243,900	N.	2,210,900	559,049	45	55	...	1,651,851	1,651,851	36.12	....	211
212. Portsmouth, Va.	45,704	5,328,600	759,000	2,950,000	9,037,600	1,599,534	34	66	...	7,438,066	5,546,136	121.35	N.	212
213. Jamestown, N. Y.[44]	45,155	1,423,157	1,770,000	948,500	4,141,657	118,911	...	...	100	4,022,746	3,193,157	70.72	905,337	213
214. Lorain, Ohio	44,512	1,193,476	1,293,500	376,000	2,862,976	245,604	80	14	6	2,617,372	2,256,631	50.70	1,043,475	214
215. Chicopee, Mass.[45]	43,930	1,074,000	423,900	598,250	2,096,150	N.	...	...	...	2,096,150	1,497,900	34.10	....	215
216. Wichita Falls, Texas[46]	43,690	2,715,000	1,858,000	4,749,000	9,322,000	200,382	22	11	67	9,121,618	8,399,834	192.26	N.	216
217. Battle Creek, Mich.	43,573	1,800,000	1,300,000	N.	3,100,000	N.	...	...	...	3,100,000	3,100,000	71.14	N.	217
218. Perth Amboy, N. J.	43,516	2,221,000	1,935,000	2,619,000	6,775,000	828,906	10	42	48	5,946,094	3,729,114	85.70	731,500	218
219. Salem, Mass.	43,353	886,000	638,500	374,000	1,898,500	N.	...	...	...	1,898,500	1,524,500	85.16	....	219
220. Amarillo, Texas	43,132	3,620,784	2,044,000	2,225,740	7,890,524	576,196	30	26	44	7,314,328	5,341,583	123.84	....	220
221. Columbus, Ga.	43,131	2,127,000	677,200	195,000	2,999,200	59,840	100	...	...	2,939,360	2,744,360	63.63	40,000	221
222. Joliet, Ill.	42,993													222
223. Cranston, R. I.	42,911													223
224. Portsmouth, Ohio	42,560													224
225. Lima, Ohio	42,287	3,507,300	765,000	798,500	5,070,800	140,143	91	...	9	4,830,657	4,044,203	95.64	713,577	225
226. Council Bluffs, Ia.	42,048													226
227. Montclair, N. J.	42,017													227
228. Dubuque, Ia.	41,679	1,273,063	1,152,000	626,000	3,051,063	503,472	23	43	34	2,547,591	2,408,591	57.79	522,902	228
229. Muskegon, Mich.	41,390	1,628,000	2,611,525	441,000	4,680,525	363,300	93	...	7	4,317,225	3,903,225	94.30	777,500	229
230. Warren, Ohio	41,062	1,720,925	2,085,800	702,400	4,509,125	151,145	11	38	51	4,357,980	3,732,340	90.90	722,600	230
231. Kearny, N. J.	40,716	2,879,000	2,389,500	3,822,000	9,090,500	718,739	47	49	4	8,371,761	4,578,812	112.46	813,000	231
232. Fitchburg, Mass.	40,692													232
233. Lynchburg, Va.	40,661	2,778,056	1,039,204	1,957,250	5,774,510	1,533,682	65	...	35	4,240,828	2,816,578	69.27	N.	233
234. St. Petersburg, Fla.[47]	40,425	7,029,600	2,730,750*	3,351,000	13,111,350	1,749,938	99	1*	...	11,361,412	8,010,412	198.15	11,718,000	234
235. Poughkeepsie, N. Y.	40,288	1,313,430	1,777,650	766,000	3,857,080	82,404	94	6	...	3,774,677	3,008,677	74.68	1,790,974	235
236. Ogden, Utah	40,272	1,740,000	811,000	1,030,000	3,581,000	26,265	24	76	...	3,554,735	2,524,735	62.69	....	236
237. Oshkosh, Wis.	40,108	283,000	801,000	329,000	1,413,000	N.	...	...	...	1,413,000	1,084,000	27.03	N.	237
238. Anderson, Ind.	39,804	474,302	755,000	31,000	1,260,302	N.	...	...	...	1,260,302	1,229,302	30.88	723,802	238
239. E. Cleveland, Ohio	39,667	1,739,550	3,228,000	44,000	5,411,550	933,761	48	52	...	4,477,789	4,433,789	111.78	599,490	239
240. La Crosse, Wis.	39,614	524,000	568,000	257,000	1,349,000	141,500	...	...	100	1,208,500	1,093,000	27.59	....	240
241. Butte, Mont.	39,532													241
242. Sheboygan, Wis.	39,251	192,000	510,000	N.	702,000	N.	...	...	...	702,000	702,000	17.88	218,733	242
243. Waltham, Mass.	39,247													243
244. Quincy, Ill.	39,241	N.	330,000	145,000	475,000	N.	...	...	...	475,000	330,000	8.41	843,200	244
245. Meriden, Conn.	38,481	400,000	1,211,000	210,000	1,821,000	N.	...	...	...	1,821,000	1,611,000	41.86	N.	245
246. Bloomfield, N. J.	38,077	2,212,000	2,937,500	1,398,000	6,547,500	101,642	56	...	44	6,445,858	5,092,858	133.75	1,805,000	246
247. Rock Island, Ill	37,953	N.	532,000	365,000	897,000	N.	...	...	...	897,000	532,000	14.02	992,460	247

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Continued)

		Gross Bonded Debt				Sinking Fund				Net Bonded Debt				
City	Census 1930	General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting	Total gross special assessment debt	No.
Group V—Continued														
Pop. 30,000 to 50,000														
248. Cumberland, Md.	37,747													248
249. San Bernardino, Calif.	37,481	850,750	1,683,000	296,175	2,829,925	29,336	...	100	...	2,800,589	2,504,414	66.82	N.	249
250. Green Bay, Wis.	37,415	805,000	1,147,000	894,000	2,846,000	N.	...	...	...	2,846,000	1,952,000	52.17	....	250
251. Raleigh, N. C.	37,379													251
252. Taunton, Mass.[48]	37,355	534,800	803,000	1,191,000	2,528,800	264,578	...	...	100	2,264,222	1,337,800	35.81	341,000	252
253. Santa Monica, Calif.	37,146	1,375,000	1,831,000	1,346,750	4,552,750	N.	...	...	...	4.552,750	3,206,000	86.31	1,221,186	253
254. West New York, N. J.	37,107	1,581,168	2,315,500	N.	3,896,668	256,326	100	...	...	3,640,342	3,640,342	98.10	150,030	254
255. Hazleton, Pa.	36,765	2,023,000	1,432,000	N.	3,455,000	183,016	13	87	...	3,271,984	3,271,984	89.00	N.	255
256. Danville, Ill.	36,765	212,565	577,500	N.	790,065	N.	...	...	...	790,065	790,065	21.49	697,995	256
257. High Point, N. C.	36,745													257
258. Auburn, N. Y.	36,652	632,695	700,000	241,500	1,574,195	31,365	...	...	100	1,542,830	1,332,695	36.36	321,861	258
259. Lanesville, Ohio	36,440													259
260. Superior, Wis.	36,113	713,000	1,402,000	N.	2,115,000	163,349	34	66	...	1,951,651	1,951,651	54.04	....	260
261. Arlington, Mass.	36,094	605,500	1,177,000	297,000	2,079,500	N.	...	...	...	2,079,500	1,782,500	49.38	....	261
262. Norwalk, Conn.	36,019													262
263. Elgin, Ill.	35,929	895,988	287,506	110,000	1,293,494	N.	..	...	...	1,293,494	1,183,494	32.94	1,314,275	263
264. Norristown, Pa.	35,853	1,046,000		N.	1,046,000	82,770	100	...	...	963,230	963,230	...	....	264
265. White Plains, N. Y.	35,830	4,374,395	5,941,000	1,844,800	12,160,195	187,304	44	...	56	11,972,891	10,232,840	285.59	25,506	265
266. Revere, Mass.	35,680	805,200	956,500	299,000	2,060,700	N.	...	...	...	2,060,700	1,761,700	49.38	....	266
267. Steubenville, Ohio	35,422	482,438	974,750*	63,562	1,520,750	129,875	22	67	11	1,390,875	1,351,597	38.16	195,016	267
268. Orange, N. J.	35,399	2,525,000	1,844,500	380,000	4,749,500	987,007	44	30	26	3,762,493	3,636,159	102.72	....	268
269. Alameda, Calif.	35,033	353,390	502,414	100,193	955,997	N.	...	...	...	955,997	855,804	24.43	N.	269
270. Lewiston, Me.	34,948	680,500	560,000	391,500	1,632,000	225,000	100	...	...	1,407,000	1,015,500	29.06	....	270
271. Watertown, Mass.	34,913	660,000	1,226,000	61,000	1,947,000	N.	...	...	...	1,947,000	1,886,000	54.02	N.	271
272. Amsterdam, N. Y.	34,817	628,320	2,163,500	69,000	2,860,820	161,580	89	8	3	2,699,240	2,635,411	75.69	63,774	272
273. West Allis, Wis.	34,671	1,289,400	1,158,000	N.	2,447,400	N.	...	...	...	2,447,400	2,447,400	70.59	....	273
274. New Brunswick, N. J.	34,555	2,248,000	1,479,000	1,274,000	5,001,000	N.	...	...	...	5,001,000	3,727,000	107.86	448,000	274
275. Easton, Pa.	34,468	2,395,200	2,109,000	N.	4,504,200	807,705	54	46	...	3,696,495	3,696,495	107.24	550,000	275
276. Plainfield, N. J.	34,422	2,798,000	2,120,000	N.	4,918,000	208,767	100	...	...	4,709,233	4,709,233	136.81	536,000	276
277. Newport News, Va.	34,417	2,423,500	1,011,000	3,139,000	6,573,500	698,256	100	...	...	5,875,244	2,736,244	79.50	N.	277
278. Santa Barbara, Calif.	33,613	1,617,575	1,804,550*	715,500	4,137,625	81,851	71	...	29	4,055,774	3,363,868	100.08	....	278
279. Paducah, Ky.	33,541	1,277,000	274,000	2,279,000	3,830,000	213,991	84	16	...	3,616,009	1,337,009	39.86	1,030,825	279
280. Mansfield, Ohio	33,525	903,425	1,097,000	169,000	2,169,425	196,723	100	...	...	1,972,702	1,803,702	53.80	313,550	280
281. Waukegan, Ill.	33,499	230,000	570,500	1,200,000	2,000,500	31,187	93	...	7	1,969,313	771,396	58.79	3,628,788	281
282. Norwood, Ohio	33,411	1,856,904	1,274,000	244,375	3,375,279	986,895	100	...	...	2,388,384	2,388,384	71.48	101,029	282
283. Sioux Falls, S. Dak.[49]	33,362	700,000	1,382,000	290,000	2,372,000	1,060,620	9	80	11	1,311,380	1,144,112	33.30	N.	283
284. Colorado Springs, Colo.[50]	33,237	723,000	1,100,000	2,373,000	4,196,000	550,000	100	...	...	3,646,000	1,273,000	38.30	325,300	284
285. Elkhart, Ind.	32,949	158,000	830,000	1,235,000	2,223,000	90,361	28	19	53	2,132,639	949,492	28.70	....	285
286. Kokomo, Ind.	32,843	123,500	554,500	N.	678,000	N.	...	...	...	678,000	678,000	20.64	....	286
287. Laredo, Texas	32,618	807,000	372,000	N.	1,179,000	124,706	62	38	...	1,054,294	1,054,294	32.32	....	287
288. Tucson, Ariz.	32,506	1,854,783		959,950	2,814,733	562,832	...	...	...	2,251,901	1,291,951	....	1,178,083	288
289. Richmond, Ind.	32,493	286,500	730,000	N.	1,016,500	35,310	100	...	...	981,190	981,190	30.20	....	289
290. Rome, N. Y.	32,338	581,000	858,500	188,000	1,627,500	N.	...	...	...	1,627,500	1,439,500	44.51	245,586	290

BONDED DEBT OF 289 CITIES AS AT JANUARY 1, 1932—(Concluded)

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General Improvement	Public School	Public Utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group V—Continued														
Pop. 30,000 to 50,000														
291. Wilmington, N. C.	32,270	2,414,700	1,148,000	819,000	4,381,700	276,400	...	89	11	4,105,300	3,317,961	102.82	1,181,500	291
292. Moline, Ill.	32,236	N.	535,000	N.	535,000	N.	...	...	...	535,000	535,000	16.60	264,872	292
293. Watertown, N. Y.	32,205	1,071,635	1,615,800	928,000	3,615,435	189,226	54	46	...	3,426,209	2,498,209	77.57	174,921	293
294. Muskogee, Okla.	32,026	2,295,093	1,205,000	874,000	4,374,093	2,281,541	46	24	30	2,092,552	1,910,952	59.67	500,000	294
295. Meridian, Miss.	31,954													295
296. Pensacola, Fla. [51]	31,579	2,398,000	611,000	775,000	3,784,000	614,328	100	...	...	3,169,672	3,169,672	100.37	....	296
297. Nashua, N. H.	31,463	1,305,500	530,500	N.	1,836,000	315,275	83	17	...	1,520,725	1,520,725	48.33	N.	297
298. Fort Smith, Ark.	31,429	622,000	961,000	1,033,500	2,616,500	127,859	81	...	19	2,488,641	1,479,578	47.08	134,600	298
299. Port Huron, Mich.	31,361	1,073,814	634,000	251,000	1,958,814	7,438	100	...	...	1,951.376	1,700,376	54.22	513,309	299
300. Newburgh, N. Y.	31,275	912,188	1,157,848	741,231	2,811,307	99,698	...	...	...	2,711,609	1,970,378	63.00	....	300
301. Marion, Ohio	31,084	970,215	1,271,000	N.	2,241,215	N.	...	...	...	2,241.215	2,241,215	72.10	129,209	301
302. Bloomington, Ill.	30,930	265,000	20,000	1,471,000	1,756,000	56,250	100	...	...	1,699,750	228,750	7.40	513,000	302
303. Hagerstown, Md.	30,861	2,583,000	876,000	2,757,000	6,216,000	N.	...	...	...	6,216,000	3,459,000	112.08	N.	303
304. Bellingham, Wash.	30,823	565.000	N.	386,500	951,500	N.	...	...	...	951,500	565,000	18.33	658,783	304
305. Baton Rouge, La.	30,729	2,965,900	....	N.	2,965,900	N.	...	...	...	2,965,900	2,965,900	....	N.	305
306. Newark, Ohio	30,596	795,777	980,850*	369,000	2,145,627	79,895	100	...	..	2,065,732	1,696,732	55.46	174,669	306
307. Everett, Wash.	30,567	189,000	396,000*	2,246,500	2,831,500	377,884	...	4	96	2,453,616	567,397	18.56	....	307
308. Santa Ana, Calif.	30,322	601,475	1,653,000	191,705	2,446,180	139,131	17	76	7	2,307,049	2,125,405	70.09	1,699,575	308
309. Alton, Ill.	30,151	326,000	....	N.	326,000	N.	...	...	...	326,000	326,000	....	656,000	309
Canadian Cities														
1. Montreal, Que.	810,925	135,499,170	23,729,000	43,486,923	202,715,093	24,712,335	86	14	...	178,002,758	134,515,835	192.30	46,335,036	1
2. Toronto, Ont. [52]	627,582	53,851,965	29,050,953	90,788,889	173,691,807	23,950,117	29	21	50	149,741,690	71,016,554	113.16	16,762,233	2
3. Vancouver, B. C.	245,307	43,220,985	10,548,146	6,106,554	59,875,715	13,493,720	75	16	9	46,381,995	41,651,296	169.79	8,418,842	3
4. Winnepeg, Man. [53]	217,587	10,239,982	8,250,000	34,557,757	53,047,739	18,370,105	34	13	53	34,677,634	9,890,529	45.46	12,694,040	4
5. Hamilton, Ont. [54]	154,914	13,029,634	5,211,066	8,106,591	26,347,291	4,200,190	38	13	49	22,147,101	16,107,164	103.97	2,222,125	5
6. Quebec, Que.	129,103	18,456,318	6,084,000	5,741,500	30,281,818	2,525,679	55	33	12	27,756,139	22,324,581	172.92	....	6
7. Ottawa, Ont. [55]	124,988	10,067,067	3,976,445	4,729,931	18,773,443	5,603,342	49	18	33	13,170,101	10,302,071	82.42	2,558,786	7
8. Calgary, Alta. [56]	83,362	10,950,759	3,200.617	11,352,995	25,504,371	11,740,860	61	..	39	13,763,511	7,036,465	84.41	5,492,563	8
9. Edmonton, Alta. [57]	78,829	21,484,167	4,151,767	11,867,644	37,503,578	11,865,154	45	4	51	25,638,425	19,781,502	250.94	4,573,302	9
10. London, Ont. [58]	71,022	3,292,934	2,207,610	4,264,610	9,765,154	1,798,129	33	26	41	7,967,025	4,433,510	62.42	2,037,861	10
11. Windsor, Ont. [59]	62,957	6,170,913	4,393,904	3,197,197	13,762,014	201,084	...	61	39	13,560,930	10,441,567	165.85	....	11
12. Halifax, N. S.	58,939													12
13. St. John, N. B. [60]	55,000	1,818,469	1,753,500	4,623,692	8,195,661	3,344,765	81	15	4	4,850,895	.. ...	....	44,766	13
14. Regina, Sask. [61]	53,034	7,488,008	3,055,562	7,102,765	17,646,335	5,386,062	41	15	44	12,260,273	6,864,651	129.44	657,132	14
15. Saskatoon, Sask. [62]	43,025	5,352,249	2,924,273	4,803,736	13,080,258	3,674,297	40	10	50	9,405,961	6,449,295	149.90	2,831,089	15
16. Victoria, B. C.	38,441	10,524,668	1,354,949	3,810,424	15,690,041	3,688,521	57	26	17	12,001,520	8,837,127	229.89	22,759	16
17. Three Rivers, Que. [63]	35,195	4,277,515	2,198,400	1,512,390	7,988,305	1,145,794	80	5	15	6,842,511	5,496,110	156.16	2,163,295	17

* = Estimated. N. = None.

[1] *New York City.* Gross debt includes $76,700,000 corporate stock notes issued in anticipation of sale of corporate stock; utility bonds include subways, $722,209,889, and dock and ferry, $171,141,704; sinking funds not separately reported.

[2] *Chicago.* General bonds include sanitary district bonds, $92,041,290, 86 per cent of the total debt of the district, based upon the proportion of taxable values within the city. The debt reported does not include county, $33,671,900, or forest preserve district (co-extensive with county) bonds, $15,380,000; 83.89 per cent of the taxable values of the county are within the city. Utility bonds include street lighting, $7,880,000.

[3] *Philadelphia.* General bonds include utility debt, not separately reported. There is no county debt. Self-supporting debt is estimated.

[4] *Detroit.* Utility bonds include street railway, $34,207,000 and lighting $22,437,000.

[5] *Los Angeles.* Debt reported excludes flood control, $7,883,470, based upon the proportion of 60 per cent of the flood control district valuation in the city; utility bonds include light and power, $36,631,000, and harbor, $22,391,500; school bonds are issued by the county, the amount reported being the city's prorated share based upon the valuation, 87.55 per cent of total.

[6] *Cleveland.* Utility bonds include light and power, $6,165,000.

[7] *Boston.* Utility bonds include rapid transit, $57,478,700, and traffic tunnel, $7,050,000. County debt, which is paid by the city, not included.

[8] *San Francisco.* Utility bonds include power, $16,500,000, and street railway, $2,403,000.

[9] *Milwaukee.* General bonds include metropolitan sewerage area bonds, $17,763,087, based upon the proportion of the area valuation in the city.

[10] *Minneapolis.* Utility bonds include electric light, $50,000, market, $22,000, and river terminal, $688,000.

[11] *New Orleans.* General bonds include water, sewerage and drainage, $26,784,000; utility bonds are Public Belt Railroad $3,000,000. Debt reported does not include New Orleans levee didstrict bonds, $13,064,000, nor port of New Orleans bonds, $40,112,000, which are agencies of the state.

[12] *Cincinnati.* Utility bonds include rapid transit, $6,100,000, airport, $876,000, and Cincinnati Southern Railway, $21,832,000; the annual rental revenues of the railway are in excess of its debt charges, being equivalent to debt charges on $10,000,000 general four per cent bonds.

[13] *Newark.* Utility bonds include street railway, $8,000,000, and dock, $15,436,000.

[14] *Seattle.* Utility bonds include light and power. $31,424,000, and street railway, $10,038,400.

[15] *Indianapolis.* General bonds include park district, $3,223,720, and sanitation district, $3,414,500.

[16] *Jersey City.* Utility bonds include dock, $251,000. Debt reported does not include tax revenue bonds, $16,700,000, with sinking fund of $5,546,116.

[17] *Louisville.* The city sinking fund owns the entire capital stock of the Louisville water company, estimated to be worth more than $25.000.000.

[18] *Portland.* General bonds include dock, $7,834.800, and city's portion (93.39 per cent) of port, $3,417,140; utility bonds include golf, $128,000; school bonds are 97.27 per cent of total as city's portion. The city's portion (91.04 per cent) of county debt, $11,903,390, is not included.

[19] *Columbus.* Utility bonds include light and power, $1,950,000.

[20] *Denver.* Utility bonds include city's portion of Moffat tunnel, $13,613,600.

[21] *Oakland.* Utility bonds include harbor, $7,193,000, and city's portion (56.8 per cent) of water district bonds.

[22] *Omaha.* Utility bonds include gas, $5.535,000.

[23] *Dayton.* Debt reported does not include city's portion of Miami flood conservancy district.

[24] *Richmond.* Utility bonds include light and power, $300,000, and gas, $3,349,550,

[25] *Nashville.* Utility bonds include light and power, $204,000; sinking fund not separated.

[26] *Long Beach.* Utility bonds include gas, $3,822,000.

[27] *Norfolk.* Utility bonds include dock, $6,420,048; general sinking fund includes school.

[28] *Jacksonville.* Utility bonds include light and power, $1,637,500, street railway, $155,000, and dock and terminal, $2,325,000.

[29] *Kansas City, Kansas.* Utility bonds include light and power, $2,565,000.

[30] *Miami.* Utility bonds include street railway, $1,035,000.

[31] *Tacoma.* Utility bonds include light and power, $8,941,000, street railway, $348,000, and garbage, $91,000.

[32] *Wilmington.* Utility bonds include harbor, $2,650,000.

[33] *Lynn.* General debt and sinking fund includes school.

[34] *Lansing.* Utility bonds include light and power, $3,009,900.

[35] *Pasadena.* Utility bonds include light and power, $414,925.

[36] *Lincoln.* Utility bonds include light, $100,000.

[37] *New Britain.* Utility bonds include subways for wires, $410,000.

[38] *Beaumont.* Utility bonds include wharves, $1,790,750.

[39] *Holyoke.* Utility bonds include gas and electric, $1,179,000, and Holyoke and Westfield Railroad, $157,000; utility sinking fund is Holyoke and Westfield stock offsetting the bonds.

[40] *Kalamazoo.* Utility bonds include light and power, $21,000.

[41] *Hamilton.* Utility bonds include light and power, $637,000, and gas, $291,110.

[42] *Phoenix.* Utility bonds include street railway, $720,000.

[43] Stockton. Utility debt is deep water harbor.

[44] *Jamestown.* Utility bonds include light and power, $144,000, and market, $24,500.

[45] *Chicopee.* Utility bonds include light and power, $41,250.

[46] *Wichita Falls.* Utility bonds include irrigation district, $4,003,000.

[47] *St. Petersburg.* Utility bonds include light and power, $535,000, street railway, $1,631,000, and gas, $1,185,000; general sinking fund includes utility.

[48] *Taunton.* Utility bonds include light and power, $677,000, and street railway, $8,000.

[49] *Sioux Falls.* Utility debt includes light and power, $50,000.

[50] *Colorado Springs.* Utility bonds include light and power, $1,458,000; school debt reported is for district larger than the city.

[51] *Pensacola.* Utility debt includes wharves, $400,000.

[52] *Toronto.* Utility debt includes light and power, $27,416,533, street railway, $34,671,293, abattoir, $304,000, exhibition buildings, $2,866,967, Royal Winter fair, $1,756,814, housing $512.000, ferries, $112,000, school debt includes separate (Roman Catholic) school board, $2,415,000.

[53] *Winnipeg.* Utility bonds include light and power, $23,727,000, steam heating, $1,500,000, housing, $2,650,000.

[54] *Hamilton.* Utility bonds include light and power, $3,474,312.

[55] *Ottawa.* Utility bonds include light and power, $936,488.

[56] *Calgary.* Utility bonds include light and power, $3,037,871, street railway, $2,815,096, and hospitals, $325,095.

[57] *Edmonton.* Utility bonds include light and power, $3,162,408, street railway, $2,987,265, and telephone, $2,413,404.

[58] *London.* Data as at January 1, 1931; utility bonds include light and power, $1,100,601, electric railway, $1.798,557, and housing, $206,284.

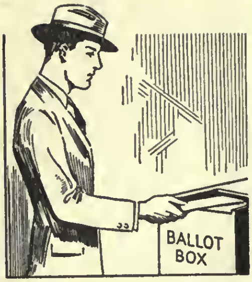
[59] *Windsor.* Utility bonds include light and power, $1,301.482, and housing, $1,011,799.

[60] *St. John.* Utility bonds include light and power, $770,288, ferry, $234,800, market, $70,000, and housing, $26.733.

[61] *Regina.* Utility bonds include light and power, $2.380,475, and street railway, $2,044,018.

[62] *Saskatoon.* Utility bonds include light and power, $2,181,447, and street railway, $1,736,419.

[63] *Three Rivers.* Utility bonds include ferry, $184,265.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

Foreword.—Now that the work of the Proportional Representation League is happily merged with that of the National Municipal League, this department will continue from month to month the news notes of the proportional representation movement throughout the world which have been appearing in the quarterly *Proportional Representation Review.* Longer articles relating to "P. R." will appear from time to time in the body of the magazine.

* * *

What P. R. Is and Where It Is Used.—For the benefit of any readers of the National Municipal Review who are not already familiar with the subject a brief description may be in order.

Proportional representation is a method of electing representative bodies which gives every group of like-minded voters the same share of the members elected that it has of the votes cast.

It is applicable to the elections of Congress, state legislatures, county commissions, city and town councils, school boards, and the boards, committees, and delegates of private organizations.

P. R. insures both majority rule and minority representation. It does this by giving each voter a single vote in a district electing several members. Each member is elected by a separate quota of votes and each group can elect as many members as it polls quotas.

What is generally considered in English-speaking countries the best form of P. R., the Hare system or single transferable vote, allows the voter to express alternative choices so that his vote will not be wasted on a candidate who does not need it or cannot use it. It eliminates all need of primaries. A detailed description of this plan will be sent to anyone who wants it.

P. R. is now used in the following places (those underlined use the Hare system, the others "list" systems, which give substantially the same representation to organized parties but do not allow the same freedom in the choice of individual candidates):

For municipal councils in Cincinnati, Hamilton, Ohio; Boulder, Colorado; Winnipeg, Calgary, West Vancouver, St. James, Manitoba; Dublin, Cork, Christchurch, New Zealand; Armidale, New South Wales; Berlin, Hamburg, Vienna, Budapest, Amsterdam, Rotterdam, Copenhagen, Stockholm, Oslo, Geneva, Zürich, Berne, and hundreds of other municipalities in the countries listed below.

For all important public elections, of representatives in the Irish Free State, Germany, Austria, Denmark, Sweden, Norway, the Netherlands, Luxemburg, Bulgaria, Saar Valley, and Cuba.

For parliamentary elections in the foregoing countries and in Malta, Belgium, Switzerland, Czecho-Slovakia, Poland, Finland, Iceland, Esthonia, Latvia, Lithuania, Danzig, and San Marino.

For some members of parliament in Great Britain, Northern Ireland, South Africa, India, Costa Rica, Portugal, Hungary, and Uruguay.

For provincial elections in most of the countries listed above and in part of Manitoba, part of Alberta, Tasmania, and part of Argentina.

For school boards throughout Scotland.

In this country it has been used for public elections only in connection with the city manager plan. This combination is usually urged by advocates of P. R. because the full benefits of a representative council can hardly be expected if the administration is under a separately elected mayor not under the council's control. It is also urged by many advocates of the manager plan because the full benefits of an appointive professional executive can hardly be expected if the executive is appointed and controlled by a council that is not representative of the whole electorate but of some minority political machine.

* * *

Michigan Democrats Launch P. R. Campaign.—Under the leadership of W. I. McKenzie, Detroit attorney, the Democratic party of Michigan, at its convention in Saginaw on April 13 and 14, voted unanimously to attempt to amend the state constitution so as to elect the lower house of the state legislature by P. R. and authorize the use of P. R. for municipal elections. If the legislature refuses to submit the amendment voluntarily, the plan is to invoke the initiative provisions of the constitution so as to bring the amendment to a vote in the spring of 1933. A committee to carry on an educational campaign has been appointed.

The Michigan Democratic party regularly polls a large vote, sometimes as high as forty per cent of the total, but for many years has had the merest handful of representatives at Lansing. The party hopes to gain the assistance of enough fair-minded Republicans and independents to assure it in one house a representation commensurate with its voting strength. There are, of course, members of the majority party who prefer a two-party to a one-party system and believe the state and the party itself would gain through the restoration of a real opposition.

The part of the amendment dealing with local elections would undo the adverse decision of the state supreme court rendered in 1920, declaring the use of P. R. in Kalamazoo unconstitutional.

Readers of the *P. R. Review* will remember that in the one other state in which P. R. has been held unconstitutional, California, authorizing amendments are also to be voted on. The California legislature at its last regular session voted to submit to the voters at the regular election this fall two amendments to legalize the use of P. R. for cities and counties.

* * *

The Pennsylvania Campaign Continues.—The Municipal Charter Committee of Pennsylvania, organized last year by the Proportional Representation League under the chairmanship of Dr. J. Horace McFarland of Harrisburg "to make optional for Pennsylvania municipalities the proportional representation-manager plan of government," reports promises of support for such legislation from over three hundred of the candidates for nomination to the legislature at the April 26 primaries.

The plan sponsored by the committee is the plan of government now in use in Cincinnati and recommended in the model city charter of the National Municipal League. Bills to make it available for all cities by popular vote were introduced in the last regular session of the house by the administration floor leader, D. Glenn Moore. The bill applying to Philadelphia was killed in committee, in spite of strong popular support, through the opposition of the Philadelphia organization; but the bill applying to Pittsburgh and smaller cities was debated for an hour on the floor of the house and defeated by the close vote of 103 to 91.

The Municipal Charter Committee recently sent to all the legislative candidates a letter ending with the following question: "Will you, if elected, support and vote for legislation to make the city manager plan and proportional representation optional for all cities and boroughs?"

Nearly all of the answers received were definitely in the affirmative. A few were more or less noncommittal. None of the opponents of the plan answered.

Twenty-one of the answers came from members of the present house. Enough of these were promises of support from members recorded as absent or voting against the Moore bill to wipe out completely the margin by which that bill was defeated.

The senate was not put on record at the last session and most of its present members avoided answering the committee's letter. Senators Harris of Allegheny and Woodward of Philadelphia, however, have repeatedly indicated their support of such optional legislation, and Representatives Batchelor of Beaver and Zeisenheim of Erie, who are now running for the senate, supported the Moore bill in the house. Peter Graff, 3rd, running without opposition in Armstrong and Butler Counties, sent in a definite promise of support.

* * *

New York Organizations Endorse P. R. and the Manager Plan.—Following the recent declarations of Judge Samuel Seabury in favor of proportional representation and "some plan which will make it possible for the administrative functions of the city to be performed exclusively by competent administrators who will be free from political control," the executive committee of the New York Committee of One Thousand adopted on May 4 the following statement of the policy and purposes of the Committee:

> To inform the voters and citizens of New York City that there is a way whereby they may emancipate themselves from the disgraceful conditions shown to exist in the city by the Seabury investigation.
>
> To point out this way—that it is possible for a majority of the eligible voters of New York City, as opposed to Tammany's small minority of 26 per cent, to bring about the city manager form of government and the method of voting known as proportional representation, and to take the lead in the accomplishment of this aim.
>
> Further, to point out how under the city manager form of government and proportional representation, a majority of the voters if they want good government—clean, modern, efficient and humane—and at a cost considerably below the present, may *permanently* obtain it.
>
> To prove that a majority of the electorate *do* want good government, and that once assured that under the city manager plan and proportional representation they may obtain it, they will come to the polls and vote for it.
>
> In the meantime, to obtain the best possible administration for the city by preparing to support in the 1933 city election a nonpartisan ticket of candidates of the highest integrity committed to this program and a no-spoils system of government.

The committee has already arranged 62 talks on P. R. and the manager plan this spring by Walter J. Millard, field secretary of the National Municipal League and of the P. R. League, and put 43 other speakers on the platform also for an average of three meetings apiece in its energetic attempt to put its program into effect.

The Leagues of Women Voters of the five boroughs comprising New York City—Manhattan, Bronx, Brooklyn, Queens and Richmond—have put P. R. and the manager plan on their active programs.

* * *

Kansas City Citizens' League.—After a demonstration of proportional representation by its secretary, Nat Spencer, the board of directors of the Citizens' League of Kansas City, Missouri, voted unanimously on April 4 to make the adoption of P. R. in Kansas City one of the projects of the League. The League has already published an exceptionally good series of educational statements on the subject.

* * *

Wellesley, Mass.—Upon petition of John R. Nichols of Wellesley, Representative Williams of Wellesley introduced in this year's session of the Massachusetts legislature a well-drafted bill (House No. 818) to enable towns operating under representative town meeting government to elect their representative town meetings by proportional representation. A hearing was held on February 17 before the Committee on Towns, at which Mr. Nichols was supported by George R. Nutter, who after collecting evidence from all parts of the world recommended P. R. for Boston as a member of the Boston Charter Revision Commission in 1924. The Wellesley *Townsman* printed a series of well-written articles by Mr. Nichols in support of his proposal.

* * *

P. R. to Return in Greece.—The Greek Chamber in its session of April 14 has passed in third reading the bill establishing the system of proportional representation, and following the surely favorable vote of the senate, this measure becomes the law, in accordance with which elections will be held in Greece next summer or perhaps in early autumn. This information has been cabled to me by my Athens correspondent.

P. R. was adopted for the first time in Greece in the elections of November 7, 1926, following the overthrow by General Kondylis of the Pangalos dictatorship. The result of that election, coming after a decade of intense political strife in the country, was a more even and a more equitable division of power between all the political parties than Greece had seen up to that time. The measure was put into application with great difficulty and in the face of very serious opposition by the Royalist party of that time and the Popular party of today. It resulted in the formation of a strong coalition cabinet, in which the former bitter opponents found themselves coöperating in the friendliest spirit. The result of that coöperation was first the political pacification of the country, and eventually its financial stabilization.

The coalition cabinet was overthrown by the return to active politics of Mr. Venizelos, the titular head of the Liberal party, who disapproved of the policy of the de-facto leader of the Liberals, Mr. Kafandaris. The Chamber was dissolved in 1928, and new elections held on August 19, 1928, in accordance with the old plurality system, reinstated by Mr. Venizelos with the approval of the then president of the Republic Admiral Koundouriotis. The result was that Mr. Venizelos received an overwhelming majority at the polls, electing 225 of his partisans, against 25 of the opposition in a total of 250 deputies. The opposition in some cases had polled a heavy vote, but an absolute majority of a few votes was sufficient to give the seat to Mr. Venizelos, whereas his opponents were deprived of a representation more in accordance with the vote they polled.

The Venizelos government has been in absolute control ever since, but the omnipotence of the Liberal party in Parliament has proved to have injured its interests, and the acute disproportion between government and opposition forces in Parliament was anything but helpful to the country, as it brought about a parliamentary dictatorship, which falls today under its own weight.

The economic crisis under which the country is now passing, and the necessity in which Greece finds itself today to present a united front to the outside world from which any financial help in the form of loans must come, has forced Mr. Venizelos himself to call for the creation of a Coalition Cabinet. This the opposition has refused to accept until a new election brings about a better balance of power between the several political parties of the Chamber.

It was found that such an evenly balanced Parliament can only be secured by the electoral system of P. R. Dr. Alexander Papanastassiou, its orignial sponsor and leader of the party of Democratic Union, introduced the new bill just passed by all parties except the Popular. Mr. Venizelos himself has accepted P. R. and the new elections will be held in accordance with it.

The Popular party's objections in the main are that the Liberal party is so weakened in Greece that a general election under the Plurality system is most likely to turn the tables against it in 1932, as the Liberals turned them against the Populists in 1928. Whether this view is based on a strong foundation is hard to say at this moment. What is, however, eagerly hoped for by the majority of the Greek people is that P. R., by bringing into Parliament a more genuine expression of the people's will, will help the formation of a strong National Coalition government such as is now needed in that country. Such a National Coalition will have greater freedom of action, it is said, and will be in a position to assume an even larger share of the responsibility of running the country than any single party could do, even if it had the parliamentary power to establish a legislative and governmental dictatorship.—Adamantios Th. Polyzoides, Editor, *Atlantis Greek Daily*, New York.

RECENT BOOKS REVIEWED

SERVICE RATINGS. By J. B. Probst. Chicago: Technical Bulletin Number 4, jointly by the Bureau of Public Personnel Administration and the Civil Service Assembly of the United States and Canada, 1931. 94 pp. $3.60.

This manual summarizes the essential details of the Probst Service Report and seeks to demonstrate by statistical exhibits its marked effectiveness in rating practically all classes of governmental employees. The presentation of the material is concise, interesting, and pointed. The author has condensed the results of experimentation and analysis into relatively few pages and yet has maintained the atmosphere of an enthusiastic classroom demonstration. The discussion of the types and qualifications of other rating plans is, however, far too brief for anyone seeking a balanced knowledge of the subject.

The whole problem of rating employees is so complex and important in public personnel work that it is to be regretted that the monograph has failed to take an unusual opportunity to discuss objectively the fundamental problems of all rating, *including* the Probst system. The determination and evaluation of character traits, habits, and potentialities of individual employees in relation to particular jobs are so essential to any branch of personnel management, and yet such fine arts, that one is surprised to find but little treatment of their intricacies. The reader receives the impression that the serious difficulties involved are relatively unimportant now that an almost universally valid technique has been discovered.

The claims for the Probst system in the report are too likely to lead to the assumption on the part of some supervisors that an easy and effective method of rating is now available which eliminates much of the hard thinking and sustained attention that should be given to the selection and development of personnel. The absence of the explanations of items more usual in rating sheets increases the danger of too easy judgment. Expressions such as "usually reliable" and "accepts responsibility" still involve so much variation in interpretation that their use as a basis for finely measured ratings should be carefully safeguarded even though this complicates an otherwise simple system.

The great flexibility claimed for the Probst system in its use for such varied groups as laborers, clerks, nurses, and engineers suggests that it may be too flexible. A certain rigidity of standards is necessary if the ratings are to be used outside of the single group. The neat frequency curves obtained in plotting the results of tests for various groups and cities show more that the system adapts itself readily to the assumption on the part of supervisors that most of their subordinates are satisfactory than that any objective standard has been established between groups.

A supervisor should be encouraged and assisted in analyzing the good and bad points of each employee under him and, as an aid, be required to put his analysis on paper. However, to relieve the supervisor of the responsibility of judging a man's whole fitness for the job at hand or in prospect and to rely in great measure on a piecemeal checking of individual traits later assembled in a standardized manner carries public personnel administration another step toward the robot stage.

The Probst rating system is an outstanding contribution to the development of rating systems. The claims made for it in this report, however, may prevent its use by those who have seen the slow evolution required in most scientific progress and divert its application into the hands of administrators seeking an easy solution for a necessarily difficult problem.

J. Douglas Brown.
Director, Industrial Relations Section,
Princeton University.

* * *

Planning For Residential Districts. Vol. I, Publication of the President's Conference on Home Building and Home Ownership, Washington, D. C., 1932. $1.15.

The President's Conference on Home Building and Home Ownership brought together as never before leaders in all fields concerned in any way with housing, with a resulting broadening of understanding and correlating of points of view that is invaluable as a basis for further progress. The interlocking relationships of city and regional planning with housing, each of which may seem in turn merely a portion of the other subject, depending upon one's direction of approach, was borne out in the discussions of many of the largest aspects of the housing problem, such as the distribution of population, country-wide and metropolitan decentralization of industry, and the prevention and rehabilitation of slums, as well as in the more direct designing and control of residential districts.

City planners participated in the deliberations on all these matters by various committees of the Conference, but it is perhaps fortunate that the first final volume of committee reports to appear should be devoted to the concrete matters of the immediate environment of the home: residential neighborhood planning, zoning, utilities and landscape planning and planting. "Good housing is dependent first of all on good surroundings."

For the first time since the report of the United States Housing Corporation at the close of the recent war, the latest advances in technique in all these matters have been thoroughly checked over and consolidated to form an up-to-date guide to planning neighborhood units, block and lot layout, and the treatment of streets and lots. With the engineering, social and aesthetic possibilities so clearly set forth, President Hoover's foreword sharply defines the issue: "The next great lift in elevating the living conditions of the American family must come from a concerted and nation-wide movement to provide new and better homes." Will this movement be strong enough to wrest these gains from the exploiters of things as they are?

Arthur C. Comey.

* * *

Uniform Special Assessment Law. Prepared by a Committee of the Investment Bankers Association of America, 1931. 42 pp.

The document represents an attempt to draft a law to give maximum protection to the investor in special assessment bonds. It can hardly be regarded as a "model" for adoption generally. Among the questionable features of the draft are the following:

1. Bonds must be issued to mature at least one year after special assessment installments are due. The delay is for the purpose of levying a tax to pay the bonds if special assessments are delinquent. The original borrowing must cover the added interest for the prolonged period. Bonds are to be the obligations of the city.

2. There is no provision for temporary financing, and bonds must be authorized or issued before the contract for construction can be let.

3. Public improvements may not be constructed if taxes are delinquent to the extent of ten per cent in the benefit district or fifteen per cent in the city, and if special assessments are delinquent to the extent of fifteen per cent in the benefit district or twenty per cent in the city. This provision is probably harmless, but is faintly reminiscent of the padlock which arrived after Dobbin departed. Owners of fifty-one per cent of the property in a proposed benefit district can by petition veto an improvement. Where ownership is concentrated this would stimulate bargaining wth the council for a more favorable division of cost, and might stop necessary improvements.

4. No assessment may be levied against a parcel which will bring the total of assessments for all purposes during the last ten years to an amount in excess of the present assessed valuation. The city must pay the excess. This restriction would probably prevent the proper assessment of parcels which are most highly benefited by major improvements.

5. The council is required to lay out the

assessment district and fix its share of the cost by the initial resolution before the council has consulted engineer, planner, or assessor regarding probable benefit.

6. Public hearings on the resolution must be before the council—an impossible burden in large cities. An administrative tribunal is quite competent to conduct public hearings.

7. Assessments for street paving must be made according to abutting frontage, and the council must adopt a rule for reducing the assessments against corner lots. The first provision makes the second necessary.

The notes to certain sections are to be commended for calling attention to sound advice received but not embodied in the draft.

George A. Graham.

* * *

The Missouri County Court. *A Study of the Organization and Functions of the County Board of Supervisors in Missouri.* By William Leonard Bradshaw. Columbia: The University of Missouri Studies, vol. VI, No. 2, April 1, 1931. $1.25.

Contrary to the prevailing trend in book nomenclature, the scope of this work is broader than its modest title indicates. The author, after his introductory chapter on the legal status of the county in Missouri, deals in turn with the personnel of the county court, the county clerk, judicial functions of the county court and its coördinating and supervisory functions. The intricate problems of county taxation and finance, roads and bridges, charities and health, are handled in the latter portion of the work.

Mr. Bradshaw's book is more than a compilation of statutes, court decisions and state reports on county government in Missouri. The author has done field work in thirty-three selected counties of the one hundred and eleven rural counties in the state. He does not hesitate to tell what is wrong.

Suggestions for improving conditions were only a secondary purpose of the study, but they are none the less valuable. Benefit assessment districts, special road districts, and township organization, which still exists in twenty-four counties, "should be abolished either by the voters themselves or by law." The "judges" of the county court are generally mature men who have made a success of their own business. The court should control the ministerial officers, but "popular election makes this very difficult." On the other hand, the county court should be relieved of its present judicial functions because it is not a "court," but a "county board of supervisors." Exceptional cases in which the clerk, acting extra-legally, performs one or more functions of a county manager, demonstrate the possibility of expanding the office of county clerk into that of county manager.

Author W. Bromage.

* * *

Local Police Protection Services and Costs. Commission to Investigate County and Municipal Taxation and Expenditures, Trenton, New Jersey. Report No. 7, 1932. x, 80 pp.

This brochure is one of a series of reports covering a survey of the county and municipal governments in New Jersey. This report on police methods is general in treatment as it necessarily must be for a report limited in size. It is regrettable that more of the details of the field work upon which the report is based are not given as this is the data so much needed at present. The report summarizes satisfactorily the modern tendencies of developing more efficiency in police work and thus becomes a fine booklet for those whose knowledge of police matters is fragmentary. It is regrettable also that so many of the recommendations are but categorical statements unsupported by studies, experiences of other cities, or citations of recognized authorities. It is true that police departments have not shown much disposition toward experimenting in their field but it is hardly persuasive for a report such as this to make a recommendation and stop. An instance is the recommendation for but one officer to a car for auto patrol. Many who have studied police work agree that this gives satisfactory results, but police departments almost universally insist upon two men in a car and refuse to change this plan.

For the casual reader interested in police work, or for the tired legislator, this report is an excellent evening's reading.

J. M. Leonard.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Standards Yearbook, 1932.—Bureau of Standards, Washington, D. C. 394 pp. This year's volume on standards treats in detail the work of various national and international standardizing agencies, as well as that being done by states, counties and municipal governments, technical societies and trade associations. Especial emphasis is placed on communication in a symposium of short articles by world leaders in such fields as airway weather service, radio, language, railways, highway safety and other warning signals, and postal services. The value of standardization for increased safety and convenience as well as reduced cost, and the very wide range of subjects which are now being standardized makes the volume of genuine interest as well as value. (Apply to Superintendent of Documents, Government Printing Office, Washington, D. C. Price $1.00.)

* * *

Municipal Golf Courses in the United States.—United States Golf Association, New York, 1932. 35 pp. The Public Links Section of the United States Golf Association has issued its 1932 list of city-owned and operated golf courses. Statistical information given includes the agency of government responsible for the operation of the course, the length, type of green, the number of holes, par, fees charged, cost of operating, equipment such as lockers and clubhouses, the extent of use in 1931 and the name of the professional. These 323 courses in 210 cities are listed by states. In addition some information on matches on public links is given. (Apply to United States Golf Association, 110 East 42nd Street, New York.)

* * *

Basic List of Current Municipal Documents.—Special Libraries Association, New York, 1932. 75 pp. The efforts of the special committee on municipal documents of the civic-social group of the Special Libraries Association have resulted in the publication of a valuable index of the publications issued since 1927 by fifty-nine large cities of the United States and Canada. Budgets, health reports, charters, ordinances and other publications are listed. The interest which has been shown in this undertaking by the Special Libraries Association indicates that the new list will have well deserved appreciation. (Apply to Special Libraries Association, 345 Hudson Street, New York. Price $1.00.)

The Preparation and Administration of a Municipal Capital Budget.—Albert H. Hall. New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany, 1932. 74 pp. Mr. Hall's experience as a member of the Bureau of Research which prepared the Capital Budget Report for Schenectady, and as secretary of the Capital Budget Commission of that city is widely drawn on for this study. The experience in Schenectady, however, is directly applied to similar programs in other New York State municipalities, and presents material of interest to cities generally.

This little volume is a manual of procedure and practice to show how a municipality may establish a budget for capital expenses over a period of years in order to provide new improvements as they are needed and in relation to the ability of the citizens to pay for them. This type of long-term planning is capable of stabilizing tax rates and providing the most necessary and important city building at least expense to the city. The subjects here covered are organizing for the preparation of the capital budget, drafting the capital budget for a ten-year period and the disposition of the capital budget. The use of budgets for current expenditures has shown the value of the procedure. The application of a similar method to capital outlay over a period of years is the logical development. Increased attention now being focussed on long-term planning emphasizes the appropriateness of the publication at this time. (Apply to New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany.)

Long-Term Indebtedness of the State and Its Political Subdivisions, 1929.—Bulletin 49, Wisconsin Tax Commission, Madison, 1931. 12 pp. The municipal statistics department of the Wisconsin Tax Commission has tabulated the public debt in accordance with the purpose for which the bonds were issued, for counties, cities, villages, towns and school districts in that state. (Apply to Wisconsin Tax Commission, Madison.)

* * *

Comparative Statistics, Cities of Ohio, 1930 and **Comparative Statistics, Counties of Ohio, 1930.**—Bureau of Inspection and Supervision of Public Offices, Columbus, Ohio, 1932. 113 pp. and 82 pp. J. T. Tracy, State Auditor and D. O. Heeter, Statistician, have compiled detailed reports as to the receipts, expenditures and debts of the cities and counties of the state, under the Ohio uniform public accounting law. (Apply to State Auditor, Columbus, Ohio.)

* * *

Licensing Peddlers and Transient Merchants.—Ambrose Fuller. League of Minnesota Municipalities. 1932. 11 pp. As attorney of the Minnesota League of Municipalities, Mr. Fuller has had considerable experience with municipal problems of dealing with various types of itinerant merchants, especially since his first proposed ordinance of 1924. He briefly sketches some of those problems and includes a new ordinance based on the experience in Minnesota and elsewhere in recent years. No specific license fees are suggested, but the practice of a number of the municipalities of the state are given as illustrations of the possibilities. (Apply to League of Minnesota Municipalities, Minneapolis. Price 10 cents.)

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The Status of the Municipal Corporation in American Law.—Charles W. Tooke. *Minnesota Law Review*, 1932. 17 pp. This is a reprint from a recent issue of the *Minnesota Law Review* in which Professor Tooke traces the historical development of the legal position now occupied by American municipalities, and describes factors which influenced that development. (Apply to Professor Charles W. Tooke, New York University, Washington Square East, New York.)

Delinquent Tax Problems in New York State Municipalities.—De Witt W. Krueger. New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany, 1931. 68 pp. Under the joint auspices of the publisher and the School of Citizenship and Public Affairs of Syracuse University, the author conducted an investigation into tax laws, present methods of enforcing tax collections and the causes of tax delinquency. In addition he classified delinquent tax properties, and made a valuable comparison between the extent of delinquency and the method of tax collection. The timeliness of this New York State study makes it particularly of general usefulness. (Apply to New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, Albany.)

* * *

Traffic Regulation in Small Cities.—Dwight McCracken. Municipal Administration Service, 1932. 25 pp. Over one hundred cities have already adopted the "Model Municipal Traffic Ordinance" which is sponsored by the National Conference on Street and Highway Safety. The application of this code, particularly to small cities, is admirably described and illustrated by Mr. McCracken in this monograph. Through ways, speed restrictions, traffic signals, left turns, one-way streets, parking and pedestrians are discussed. The highly desirable uniformity in traffic regulation, the need of a realization that sound traffic control should aim at greatest possible flow at greatest convenience are concepts which ought both be promoted through this publication. (Apply to Municipal Administration Service, 309 East 34th Street, New York. Price 25 cents.)

* * *

A Survey and Report on the Budget Procedure for the County of Hamilton.—Cincinnati Bureau of Governmental Research, Cincinnati, 1932. 74 pp. The Cincinnati Bureau has continued its study of various phases of the Hamilton County government. The present—rather deplorable—procedure is reviewed and recommendations are made to bring the procedure into conformity with the recognized principles of good budgeting without a fundamental change in county organization. (Apply to the Cincinnati Bureau of Governmental Research, 914 Main Street, Cincinnati, Ohio.)

JUDICIAL DECISIONS

REVIEWED BY C. W. TOOKE *Professor of Law, New York University*

Municipal Ownership — Acquisition of Plants and Equipment—Powers and Methods.—So many inquiries have been received of late upon the question of the methods that may be adopted for the acquisition of public utility plants and equipment by municipalities which are confronted by constitutional limitations upon indebtedness that a brief summary of the late cases bearing upon this matter may be advisable. In the August, 1931, issue of the Review, Dr. Durisch described some of the methods used to circumvent restrictions, including the establishment of special utility districts, lease plus option to purchase conditional sales contracts, and the issuance of bonds secured by a mortgage on the property acquired and made payable from the revenues of the property thus acquired.

In the October issue, several recent cases on the subject were reviewed, including one in Iowa,[1] which held that the municipality there involved did not have the power to make purchases of equipment for a public utility plant to be paid for from the net revenues arising from its operation, and one in Missouri,[2] holding void a conditional sales contract made by the city for new equipment to be paid for exclusively from the revenue of the lighting plant, the city having already reached its constitutional limit of indebtedness. In the November issue, mention was made of a late Oregon case,[3] which held that the state constitutional limitations upon indebtedness cannot be circumvented by the device of making a lease with an option to purchase. This decision involved the construction of a court house and city hall, but the decisions affirmed a position taken in an earlier case dealing with the acquisition of a water company. Two other cases were reviewed in the January, 1932, issue, one from California[4] which sustained a contract made by the city for the construction of a water plant and power house to be paid for in annual installments solely from the revenues, and the other from Georgia,[5] which held void an attempted evasion of the constitutional debt limitation by a contract with the local lighting company for electric pumping equipment to be paid for by the city's giving the vendor credit on its franchise tax of "fifty per cent of the savings effected by the operation with electric energy."

The latest case on the subject is that of *City of Campbell, Mo., et al.* v. *Arkansas-Missouri Power Co.*[6] The facts in that case were substantially these: The city, deciding to construct and operate its own plant, secured approval at an election for the issuance of $20,000 worth of bonds, which were duly issued and the proceeds used to construct a power house and install a general distribution system consisting of poles, wires and lights. Subsequently the city contracted with an equipment company for machinery for the plant, the price of some $62,000 to be paid for only out of earnings of the plant, according to the terms of the contract which were similar to those of the contract in the *Hight* case. In holding that the contract was an evasion of the constitutional inhibition, the Circuit Court of Appeals took pains to point out that while it would, of course, follow the decision of the state court as announced in the *Hight* case, which held that this form of contract created a debt, there was even further reason for holding that contract created a debt; that the revenues which were to pay for the equipment were to be derived not alone from the machinery, for the machinery itself did not constitute the entire plant, but from the entire plant, which included the equipment and power houses already owned by the city.[7]

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[1] Christensen v. Town of Kimballton, 236 N. W. 406.

[2] Hight v. Harrisville, 41 S. W. (2d) 155.

[3] Brewster v. Deschutes County, 1 Pac. (2d) 667.

[4] Garrett v. Swanton, 3 Pac. (2d) 1025.

[5] Morton v. City of Waycross, 160 S. E. 330.

[6] 55 Fed. (2d) 560 (C.C.A.)

As was pointed out in these notes in the October, 1931, issue of the REVIEW, Dr. Durisch's article leaves two openings—specific constitutional or statutory exemption of debts for the acquisition of utilities or the creation of overlapping municipal corporations, such as a utility district, which starts free of any debts. The second method, while legally tenable, nevertheless brings up the point, particularly in these times, that the taxpayer is still the least common denominator. The first method has quite generally been followed in connection with the purchase of water works.

The pay-out-of-earnings method, however, has been the one most extensively attempted in recent years. Where authority to purchase utilities is given in a statute which states a method to be employed, the Iowa court, in the *Christensen* case, held this to be the only method, and refused to see any power in a municipality to purchase a utility by any other method. This question was satisfactorily handled at the 1931 session of the Iowa legislature which specifically gave cities of certain classes power to purchase utilities and to pay for them out of future earnings.[8] This provision of an additional method is the right way of settling questions of power, and is distinctly more in line with the accepted canons of municipal corporation law than were the doctrines laid down in three cases[9] which upheld payment-out-of-earnings contracts in the face of constitutional or statutory provisions which granted power to purchase utilities and which announced a different method (than the payment-out-of-earnings plan) for exercising that power.

* * *

Eminent Domain—FEDERAL GOVERNMENT MAY CONDEMN MUNICIPAL PROPERTY.—The sovereign power of eminent domain, the power of the state to take property necessary for public use, is inherent in both the federal and state governments. Its exercise by the former is limited by the Fifth Amendment and by the latter by the Fourteenth Amendment, as well as by like provisions in the state constitutions, requiring due process and compensation. The power under proper limitations may be delegated to local governmental agencies and even to public utility corporations. The scope of the power extends to any property which the legislature or the subordinate officers determine is necessary, provided it is required for public use. If property is already devoted to a public use, its appropriation to another related purpose must be plainly if not expressly authorized by the legislature, a practical rule of construction to avoid a conflicting exercise of the power by the inferior agencies.

A more difficult question arises as to the power of the federal government to condemn property belonging to the states or to their governmental subdivisions. The Federal District Court of the Southern District of California recently had this question before it in *United States* v. *Jotham Bixby Co.*, 55 Fed. (2d) 317. This was an action to condemn a part of a public plaza in San Pedro, now a part of Los Angeles, for a post office site. The proceeding was instituted by the postmaster general, to whom an act of congress has delegated the general authority to take by condemnation the land he deems necessary for post office purposes, provided such site cannot be obtained by purchase. The rule is well settled that the United States has the power to condemn such lands as it needs for governmental use without obtaining the consent of the state where they are situated.[1] But the defendants who opposed the proceeding contended that the general power granted to the postmaster general does not authorize the condemnation of lands already devoted to a public use, but that in such a case an express grant of power to take the specific lands is required.

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[7] Similarly, a municipality could not issue public utility bonds, the proceeds to be used to make certain improvements, the bonds payable solely from the earnings, where the result would be to mortgage the city's existing water works (State v. Portage, 174 Wis. 588, 184 N. W. 376). To the same effect, see Joliet v. Alexander, 194 Ill. 457, 62 N. E. 861.

[8] L. 1931, ch. 158.

[9] Barnes v. Lehi City (Utah, 1929) 279 Pac. 878; Carr v. Fenstermacher (Neb. 1930) 228 N. W. 114, Land v. City of Cavalier (N. D. 1930) 228 N. W. 819.

[1] Kohn v. United States, 91 U. S. 367; Chappell v. United States, 160 U. S. 499; United States v. Gettysburg Electric R. Co., 160 U. S. 576.

In denying the validity of this contention, the court calls attention to the fact that an appropriation had been made by congress for the purchase of a site and the erection of a post office in San Pedro, and that the analogy between the construction of a general grant of the power of eminent domain to a subordinate governmental agency by a state and that by the federal government to one of its departments is inconclusive. In the instant case it is the federal government itself which is acting and not a municipal corporation with delegated powers of local self-government. The conclusion of the court is based on a sound construction of the statute, but one may well doubt whether situations might not arise which would require a limitation of its application, because of the conflicting interests of the state. It may also be noted that neither the state nor the city opposed the appropriation, but parties defendant who had only a remote interest in the land itself. This important question cannot be settled, until a case shall arise wherein the state itself contests a federal appropriation of lands actually used by the state and necessary to the discharge of its governmental functions. In such a case, the federal courts may well require that the power of a governmental department to make the specific appropriation must be shown by a statute which more clearly indicates that such was the intention of Congress.

* * *

Engineers' and Architects' Services—Recovery for Services Rendered without a Valid Contract.—The difficult question as to how far the courts can go to give a recovery for the value of services rendered to a municipal corporation, when the contract has not been entered into with the formalities prescribed by statute was before the Supreme Court of New Jersey in *Sleight* v. *Board of Education of the City of Paterson,* 10 N. J. Mis. R. 523, 159 Atl. 707. The plaintiff was hired as an architect to draw plans for a school building, but was refused payment upon the ground that at the time the agreement was made no appropriation to meet payment had been made, nor were there any funds available for that purpose. The New Jersey statutes governing boards of education expressly provide that: "No claim or demand shall be audited or paid unless it shall be authorized by law and the rules of the board of education and be fully itemized, nor unless the amount required to pay the same shall have been theretofore appropriated by the said board." This provision is supplementary to the general statute forbidding any municipality from entering into any contract unless the funds therefor are included in the annual budget and an appropriation therefor made.

In the case at bar it appeared by stipulation of the parties that the board had not made any appropriation for this purpose, nor did it have any funds available for this purpose. Under this state of facts the court held that no valid contract had been entered into and that no recovery upon a contract implied in law could be allowed. The basis for this latter rule, which is quite generally followed, is that to permit such a recovery would defeat the purpose of the mandatory limitations upon the power to contract which are imposed to protect the public treasury. Had there been funds appropriated either specifically for the purpose of this contract or available for contingent purposes, the court might well have sustained the complaint.

It is plain that a failure to comply with such statutory limitations will always prevent the formation of a valid contract, and that the performance of the agreement may be enjoined at the suit of a taxpayer, or that the city may refuse to accept any benefits thereunder. But when in good faith services have been solicited by the city authorities, who have the authority to make a contract therefor, and the city accepts and makes use of such services which are necessary to the carrying out of duly authorized public improvements, there would seem to be no good reason why the courts should not give relief upon the principles of quasi-contractual liability. The courts of many of our states are coming to apply this more liberal principle of municipal liability for benefits received under such circumstances.[1]

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[1] Olsen v. Independent & Consolidated School District, 175 Minn. 201, 220 N. W. 606; Sluder v. San Antonio, (Tex. Civ. App.) 2 S. W. (2d) 841; People v. Spring Lake etc. Drainage District, 253 Ill. 479, 97 N. E. 1042; Silliman & Godfrey Co. v. Westport, 111 Conn. 510, 153 Atl. 502.

Negligent Operation of Vehicles.—Torts—Statutory Liability for Injury by Municipally Owned Vehicles on Public Highways.—The statutory extension of a city's liability in tort for the negligent operation of a municipally owned vehicle recently came under consideration in the New York Supreme Court, Appellate Division, Second Department, in *Miller* v. *City of New York* (decided April 29, 1932). It will be recalled that in 1929 the New York legislature enacted a statute making every city, town and village liable for a tort incurred in the operation of its vehicles.[1] Plaintiff, suing for the death of his wife who had been killed by a fire chief's automobile en route to a fire, invoked this section of the highway law in seeking a recovery against the city.

Counsel for the city contended that the act was unconstitutional as being a special or local act, that it discriminated between municipalities which provide police and fire protection by reason of a statutory duty imposed upon them, and those which provide such protection of their own volition. Justice Tompkins, writing for the unanimous court, held these claims untenable, that the statute applied alike to all municipalities in the state, and further, that nearly all public vehicles in the state are operated by departments whose duties are defined by legislative enactment. He quoted with approval Judge Cardozo's statement in regard to the distinction between general and local laws:

> We are no longer confined to the inquiry whether an act is general or local *in its terms*. We must go farther and inquire whether it is general or local *in its effect*. (Matter of Mayor, etc., of New York [Elm Street], 246 N. Y. 72).

The court coming to the conclusion that the law was general in its terms and effect, affirmed the judgment for the plaintiff.

It might be noted that liability in New York in this respect is limited only to cities, towns and villages. With the expansion of the governmental duties of the county and of the various special districts, such as the Westchester County Park Commisson, the question arises whether these agencies should not also be specifically brought under the statute.

Summary Powers of Police and Fire Officers.—Police Power—Arbitrary Closing of Private Business by Officers of the Police or Fire Departments—The distinction between the emergency powers of fire and police officers and their ordinary jurisdiction by way of preventive measures is emphasized by Judge Otis of the Federal District Court of Western Missouri, in his opinion in *Tebbetts* v. *McElroy, City Manager,* 56 Fed. (2d) 621. In granting an injunction against the summary action of the city authorities in closing a hall where a "walkathon" contest was being conducted, the court called attention to the frequency with which fire and police officers invade private property rights without any warrant of law. In the instant case there was no evidence of any especial fire hazard, but the city claimed that the director of the fire department had the power to close any building where the public assemble if in his judgment danger from fire exists.

The court points out that no such extraordinary power can be implied from any delegation of the general police power. Nor was there in the charter any specific power that would warrant so arbitrary an interference with private rights. The charter expressly gives to the fire chief at the time of a fire the same authority as the chief of police, to be exercised under such regulations as may be prescribed by ordinance. He is also given power to order the destruction of any building when necessary to check the progress of a fire and to order the evacuation of buildings at such a time. But these are emergency powers, and no blanket power to invade private property and arbitrarily order the discontinuance of its use can be sustained. An attempted delegation of such an unlimited power to an administrative officer would contravene the Fourteenth Amendment (*Hays* v. *Poplar Bluff,* 263 Mo. 516, 173 S. W. 676).

* * *

Taxation of Public Property by Municipalities—Express Statutory Authority Required—In *Middlesex County* v. *City of Waltham,* 180 N. E. 318, the Supreme Judicial Court of Massachusetts affirmed a judgment in an action by the county to recover back certain taxes that the city had levied upon lands which the county had purchased as a site for a tuberculosis hospital. Although the lands were never used for the purpose contemplated and were afterward sold, being rented in the meantime for incidental revenue, the court holds that they were charged with a public use from the time they were purchased and were exempt from taxation by the city as they had been acquired to carry out a county purpose duly authorized by statute.

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[1] L. 1929, ch. 466, adding §282-g to the Highway Law. This statute is set out in full in the June, 1930, issue of the Review at page 432. See a similar statute, Pennsylvania, P. L. 1929, p. 905, §619, limited however to motor vehicles.

The powers of local taxation like other municipal powers is one that must be expressly granted to municipal corporations by the legislative power of the state, whether delegated in the state constitution, or by statute, or by home rule charter. This delegated power is subject to the implied limitation that only private property is the subject of taxation, and therefore express statutory authority must be shown to warrant the taxation of the property of other subordinate governmental agencies. In the instant case no such power in the city could be shown and therefore the monies paid as taxes by the county were illegally collected. It may be noted in passing that the rule that monies paid as taxes by private persons without protest and under a law that is later declared to be invalid cannot be recovered back has no application to monies paid out by one municipal corporation to another under mistaken view of their legal rights.

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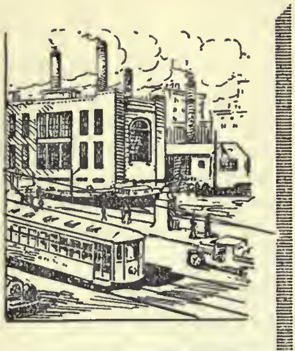
Redistricting City Wards.—Exercise of Discretion by the Local Legislative Body Will not be Disturbed by the Courts.—The city council of the city of Chicago in July, 1931, passed an ordinance redistricting the city into fifty wards as required by the state law. In *Miller* v. *City of Chicago,* 180 N. E. 627, decided by the Illinois Supreme Court on April 8, 1932, an action was brought to enjoin the city authorities from carrying the ordinance into effect upon the ground that its enforcement would involve the illegal expenditure of public monies. The contention of the plaintiff was that the redistricting as provided by the ordinance was contrary to the statute which provides:

> The city of Chicago shall be divided into fifty wards. In the formation of wards the population of each shall be as nearly equal as practicable and each shall be composed of contiguous and compact territory.

The plaintiffs claimed that the wards created by the ordinance were so unequal in population that they were unlawful and void, and that an intensive study had been made by a civic organization and a university, and a plan evolved which conformed to all the requisites of the state act. In affirming a judgment below sustaining a demurrer to this bill the court says that the legislative power to redistrict is conferred not upon civic organizations or universities, but is entrusted solely to the judgment and discretion of the city council. Upon examination of the population of each of the fifty wards according to the 1930 census, the court found that the smallest ward was within 18 per cent and the largest within 27 per cent of the average population of each ward, and concluded that this conformed to the statutory provision that the wards be as nearly equal as practicable. The court further says that in dividing a city into wards other considerations besides population must be borne in mind, such as natural or artificial boundaries, the location of industrial plants, the transportation facilities and the general plan of the streets and highways. The broad power which the statute conferred upon the common council of the city will not be restrained by the courts, unless it clearly appears that the exercise of the power has been so arbitrary and capricious as to amount to an abuse of governmental discretion. (*City of Chicago* v. *Thielans,* 334 Ill. 231, 165 N. E. 615; *City of Carbondale* v. *Reith,* 316 Ill. 538, 147 N. E. 422.)



PUBLIC UTILITIES

EDITED BY JOHN BAUER *Director, American Public Utilities Bureau*

Whittling Away Regulation.—That state regulation of public utilities has proved to be far from satisfactory from the public standpoint, is the concensus of intelligent opinion. This was strikingly established at the recent Regulation Conference in New York.[1] The faults are manifold, but center in matters of system, personnel, and particularly in unwillingness of the companies to be regulated effectively in the public interest.

Whether regulation can be made a reasonably workable instrument of public policy is seriously controverted by able critics. This view has been gaining converts rapidly, and, except for the enormous counter difficulties that are involved in the general establishment of public ownership and operation, the necessary efforts required to reconstruct regulation and to put it on a workable basis would seem futile. The choice, however, is between relative obstacles and results, and not the simple substitution of a perfect system for an unsatisfactory one. Under these limiting circumstances, probably the more balanced course will include both the revision of regulation to make it more effective, and the promotion of public ownership and operation.

There has been, unfortunately, an incessant whittling away of regulation. It was established twenty-five years ago as a club in the hands of the state for the protection of the consumers and the public in general. But with the passing years through court decisions, through far-reaching economic changes, and through the efforts of the companies, the club has been gradually cut away until it contains little force for public protection.

MUNICIPALITIES IN RATE CASES

The whittling process continues. Its most recent manifestation appeared in a decision by the Supreme Court of Georgia in the case of *Stuart* v. *the City of Atlanta,* decided March 5, 1932. It cut off, or materially sliced away, the right of the city to appear as a party before the public service commission in protecting its rights, and those of the public at large against unreasonable rates.

What has served probably more than any other factor in protecting the public measurably under the unsatisfactory system of regulation, has been the direct effort of municipalities to oppose increases in rates or to bring about reductions and otherwise to protect the public against unreasonable practices. In any important rate or service case before the commission, proper presentation of the public side has almost invariably depended upon the municipality which was either directly concerned as a consumer or which appeared in the interest of its citizens at large. The commission seldom has had sufficient funds to make an adequate investigation on behalf of the public. Moreover, in its judicial capacity, it cannot as a practical matter exercise strenuously its representative role for the active protection of the public. It has become largely a court which takes evidence and decides upon the record as presented by the interested parties. It has thus left the public largely unrepresented, except by the municipalities and the consumers themselves. In most instances, therefore, the company's side is fully and expertly prepared, while the public side has gone largely by default except as represented by the municipality. The responsibility to the public has mainly devolved upon the municipal authorities. And this has been quite a natural development.

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[1] See the May number of the Review.

Notwithstanding the widespread participation by municipalities in rate cases before both commissions and courts, their legal right to such representation has been under a cloud, at least in some of the states. In New York, for example, some years ago it was decided in the famous Morrell case that the city of New York was not an interested party. While that case involved special circumstances, the contention has been made repeatedly since that a municipality is not a proper party in a rate case, especially if it is not itself a consumer, and therefore, does not have the right to spend public funds in rate cases, either before the commission or the courts, unless it happens to be also a consumer of the utility. Its general right to represent the consumers at large in the public interest, has been challenged but the question at issue has never been definitely settled. There has been no direct law either authorizing or denying the particular power.

During the past year the New York Central commutation rate case furnished a striking instance of differences in legal view. The New York Central Railroad Company filed a new commutation rate schedule to become effective January 1, 1931, increasing rates 40 per cent to all classes of commuters to New York City. This meant practically an additional tax of about $1,500,000 for commuters in Westchester County. Naturally, there was sharp opposition, and the schedule was suspended by the two state commissions which had jurisdiction over the rates, pending an investigation and the determination whether the increases were justified.

To oppose the higher rates, the commuters first attempted to have the county appear and bear the expenses for experts and counsel. Although practically everybody in the county was directly or indirectly affected, the county attorney ruled that the county board of supervisors could not appropriate money for the case. Next the proposal was for the several cities and villages in the county to contribute to a joint fund for proper handling of the case. Some of the city or village attorneys held the same view, that municipal funds could not be spent for such purpose. There were, however, at least two attorneys who saw the municipal interest from the broad public standpoint, and held that city moneys could be appropriated to oppose the rate increase. Thus, two cities in Westchester County, Mount Vernon and New Rochelle, have borne the burden for the rest of the county. In addition, the city of New York, consistent with its long established policy, has represented energetically through Corporation Counsel Arthur J. W. Hilly, the interest of the commuters residing within the city limits.

There have been, of course, sincere differences of opinion as to municipal powers with regard to utility cases. As a practical matter, however, those municipal officials who have been zealous to protect the consumers, have made provisions, even if sparingly, for appearance before the commission and courts. But those officials who were less zealous, especially if they were influenced by friends among the companies, have been able to alibi themselves on the claim that they do not have the right to appropriate money for the general protection of the public in rate cases. No one in New York, however, has ever come forward with a taxpayer's suit to challenge the legality of any actual appropriation made by a city for such a purpose. This has been the situation in probably most of the states.

THE GEORGIA CASE

Now comes the case of Georgia and apparently an explicit decision against the municipal right has been established. In May, 1931, the Atlanta Gas Light Company proposed an increase in rates for the use of gas in the city of Atlanta. To oppose this increase, a resolution was passed by the city council, appropriating the sum of $1,500 for membership in the Municipal Utilities Rate Association of Georgia for the purpose of appearing before the public service commission to contest the increase in rates. A taxpayer's suit was brought in the state court for an injunction to prevent the city from paying the amount on the ground that it had no authority to devote municipal funds to such purpose, and that the municipal action in question was ultra vires. Although the injunction was not granted by the lower court, the judgment was reversed by the supreme court, with two judges dissenting.

The decision was based upon an earlier

case (*Barrett* v. *Atlanta,* 145 Ga. 678), which concerned the authority of the city to spend public funds as a reward for the apprehension of an offender who had committed a crime against an inhabitant of the city. The Barrett case did not involve any pecuniary interest of the municipality itself or of its citizens considered collectively.

The court simply held that there is no provision in the charter of the city of Atlanta or any law authorizing such expenditure as proposed by the city council. It presented no analysed opinion, and did not discuss the results and implications of the decision. There was, however, an incisive dissenting opinion by Presiding Judge Beck, concurred in by Judge Atkinson. In this opinion, the facts and issues were clearly considered. After quoting from the Gronninger's "Public Utility Rate Making" (pp. 30-35), which sets forth the rights and duties of a municipality to appear before the commissions and courts, not only as a consumer but in the interest of the public at large, Judge Beck presents the situation most clearly as follows:

> Of course, I recognize as true, as contended by counsel for the plaintiff, that 'a municipal corporation has no authority to contract or incur any liability that is not authorized by its charter or some general law of the State, and that a contract beyond the scope of its powers is ultra vires and void.' *Barrett* v. *Atlanta,* 145 Ga. 678. While no part of the charter of the city of Atlanta is pointed out which gives in express words the power to employ an expert, or to aid in employing an expert for the purposes indicated in this suit, nevertheless, I think that power arises by necessary implication. Under the charter, the mayor and general council have authority to pass by-laws and ordinances respecting public buildings, grounds, public houses, etc., etc., and also to pass resolutions and ordinances 'that may seem to them proper for the security of the peace, health, order and good government of the city.' It is true that the section from which this quotation is taken relates to the police power of the city; but this should be considered in connection with the express power given to the city to elect a city attorney. And it is to be assumed that, with the population which Atlanta has, assistance will be necessary to make efficient its legal department. The city attorney, or some of his assistants, must appear in court to represent the city in cases in which it is interested. This city attorney cannot be expected, in a city of over a quarter of a million population, to investigate all the facts which it may be necessary for him to rely upon, in the prosecution of a suit by the city, or in defense of the city where it is the defendant in the case; and it will be necessary for him, upon many matters, to have the assistance of an expert accountant or an expert investigator of facts, so that these facts may be collected, arranged and reduced to compass, that will enable the city attorney to handle them, study them, and submit them to a court. And I think it is within the power and authority of the city to employ assistants for the city attorney, and in this may be included experts to investigate rates of gas-light companies and other public utilities.

It would be interesting to get the reasoning of the majority of the court. The decision is merely that there is no charter provision or any law that authorizes the city to make the proposed expenditures. The scope of the decision is uncertain. It may be limited to signify merely that the city could not appropriate funds to an association which, in turn, would oppose the increase in rates before the commission and which would use the funds also jointly for the benefit of other municipalities. It may, however, assume the much broader scope, as it evidently was interpreted in the dissenting opinion, to prevent the city generally from appropriating money for the use of experts or otherwise in utility cases before the commission or courts, either on its own behalf as a consumer, or in the interest of its citizens taken collectively.

THE SCOPE OF THE DECISION

If this broad scope prevails, then any city may find itself in a dilemma, not only in utility matters but in a wide range of other interests as to which it does not have specific rights granted under the charter or the law to make appropriations for adequate representation of its interests. It must be understood that the city of Atlanta itself was a consumer of gas. Does the decision mean that notwithstanding its own consumption, the city is to be regarded as not being an interested party before the commission when the company proposes an increase in rates? If so, then the manifest rights that have been almost universally accepted, have been abrogated, not only in utility cases but where other direct financial interests of the city are involved. It is astounding to realize that the city has no legally recognized interest in the reasonableness of its own utility bills.

But, if the decision does not go so far as to hold that the city is not an interested party notwithstanding its consumption of gas, then it seems to be forced to another dilemma. If it is an interested party, then, under our legal system, it may be represented by counsel, who, in turn, is entitled to such assistance as may be necessary to carry out an effective representation. Such, at least, has been the generally recognized situation. If now, however, the city cannot provide funds for necessary assistance to present its case properly, then its right of appearance, as an interested party, is really nullified. And if necessary technical assistance cannot be supplied, then, unless logic be ignored, no case involving the city's financial interest can be technically prepared for efficient presentation unless specific charter or statutory provisions have been made for that purpose. And, of course, there are few such special provisions, so that the city may be a legal party in various cases, but it is nevertheless deprived of the power to protect its interest in an effective manner. The saving grace may be the ignoring of logic and consistency in procedure.

But even if the city is not a consumer itself, it has, nevertheless, a real interest because its citizens are consumers. The utility is viewed as public in character, because it is essential to community life. Proper rates and service are essential from the public standpoint. Their determination constitutes a public interest which rationally devolves upon the municipality whether it is a consumer on its own account or not. Its being a consumer gives a more direct legal entrance into a case, but its actual and substantial interest involves collectively its citizens who are dependent upon the utility but who, as individuals, would be unable to represent their interests in rate cases. This interest has not been directly imposed upon the municipality, but its reality can be recognized under the broad powers of dealing with public purposes and requirements.

In a utility case, as Judge Beck clearly sets forth, the assistance to the city attorney depends much more on engineers, accountants and other experts, than upon lawyers. If the city is a proper party because of its consumption of gas or because of its collective responsibility to consumers at large, it should be deemed to have the implied power, although not directly expressed in charter or law, to make all reasonable provisions to carry out its own or the public interest in an effective manner. It is, of course, impossible to designate by charter or statute all activities that may be involved in the great variety of possible litigation. The city must have broad enough powers to protect its own financial interests and those of its citizens in a collective capacity and must be able to provide sufficient funds for that purpose. To limit the expenditure of funds to specific purposes authorized by charter or statute, is to cripple a municipality in protecting itself or its people in a reasonable manner.

It is difficult to believe that the court meant the decision to be as broad as it appears and as it clearly has been taken to be by the dissenting judges. It may readily be limited to the particular matter that was involved, to wit: the payment of a membership fee to the Municipal Utilities Rate Association of Georgia. This association consisted of a municipal membership and was organized to effect a combination of municipalities for the better handling of utility matters on behalf of the members before the commission and courts. It is quite conceivable that a city might be prevented under the charter and statutes to contribute to such a joint association, but have the power on its own part to appear before the commission and courts and to appropriate funds for experts and other purposes reasonably connected with rate cases. While such a limitation would prevent municipal coöperation for systematic efforts to bring about reasonable rates, it would not deprive a municipality of the right on its own direct account to take such actions as appear necessary in the public interest.

AS TO OTHER STATES

Efforts will undoubtedly be made by the utilities to extend the scope of the decision so far as possible, and to present it as a precedent for the courts in other states. Conversely, efforts will, of course, be made to limit its significance so far as practicable, and to obtain a reversal. That it impairs the reasonable rights of a city and further reduces the effectiveness of regulation, there can be no doubt. The best course is to obtain direct modification of the law to authorize cities to participate in all utility matters.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER *Virginia Bureau of Public Administration*

Inter-Governmental Unions in Hesse.—Dr. jur. Friedrich Rindfuss, writing in the April issue of the *Zeitschrift für Selbstverwaltung,* discusses the recent *Zweckverbandsgesetz* of the German state of Hesse. This law is in many ways a radical departure from previous statutes regarding inter-governmental unions, being even more liberal than the Belgian act of 1922 authorizing inter-communal associations.

In the first place it is completely elastic as regards the type of governmental unit capable of entering into an agreement. Provinces, circles, independent marks, and municipalities all may freely covenant with each other for the regionalization of virtually any function.

In the second place the statute permits, with the approval of the ministry of the interior, the formation of unions involving local units outside of Hesse, provided the requirements of the other states in which such units are located are complied with, and the various provisions of the *Reich* government covering juristic corporations and legal persons are satisfied.

In the third place, the statute departs from previous acts in that it definitely provides for mandatory unions (*Zwangsbildung*) if it can be demonstrated to the next superior authority that the public interest would thereby be served. Thus, for example, the mandatory union of two or more communes in the same *Kreis,* or circle, would require the approval of the circle authorities; the mandatory union of two *Kreise* or more, or the union of *Kreise* with communes in other *Kreise* would be reviewed by provincial officers, etc.

In the fourth place the functions which the covenanting local units may assign to the *Zweckverband* comprise all those with which they are themselves endowed at law, and are determined in the formal agreement which constitutes the organic law of the union.

The statute provides that the organic agreement shall cover the following points:

1. The designation of the municipalities, the independent marks, the circles, and the provinces which compose the union.
2. The enumeration of the functions which are assigned to the newly created local authority.
3. The indication of the period for which the *Zweckverband* is to function, the designation of the seat of its administration, and the outline of its administrative structure.
4. The number of representatives which each local unit participating in the union shall elect to the governing body of the *Zweckverband,* and the number of votes allocated to each representative.
5. The setting up of standards and ratios which shall be the basis of the contribution of the participating governments to the budget of the union.
6. Provision for the reception of additional member localities and the release of members.
7. Regulations governing the creation of arbitral bodies to decide all disputes between members of the union and betwen the union itself and member localities regarding functions of the union and the taking over of property and obligations of member localities.
8. Provision for the liquidation of powers, authority, and property of the union by its dissolution.

It is readily to be observed that this statute confers upon the localities, and particularly upon administrative authorities enormous latitude in inter-municipal coöperation, and indeed, in view of existing administrative structure and state-local relations, makes the entire question of governmental devolution largely a matter of administrative discretion. While all agreements require the approval of the ministry of the interior, the primary purpose of this review is to ascertain the conformity with the statute itself, and it is not contemplated that the ministry appropriately may inquire into the certificaions of fact upon the part of the local authorities except where provinces are included among the contracting parties. It is impossible to estimate the probable effects of this law, but it is at least superficially evident that its extreme latitude will tend to remove all arguments for municipal consolidation accomplished by outright annexation. It is equally obvious that the statute is vastly superior to either the Prussian law of 1911 as amended, or the Belgian law of 1922, inasmuch as it permits the bringing into conformity of administrative areas and present-day conditions, hampered only by the fact that it must operate upon the basis of combinations of present areas, and cannot divide existing units.

Not the least significant conclusion which follows from the passage of this statute is that German local government authorities are coming more and more to favor a method of territorial readjustment which lies somewhere between the purely *ad hoc* union, voluntarily formed and highly circumscribed functionally, and outright annexation. The present statute overcomes the two most prevalent arguments against inter-governmental unions first, the lack of power among local majorities to force the inclusion of recalcitrant units; and second, the necessity for multitudinous special unions which the narrow functional basis of many statutes governing inter-municipal agreements has necessitated.

* * *

The French Congress of Mayors.—The recently adjourned annual session of the Congress of Mayors of the Republic of France passed the following resolutions:[1]

Rationalization of traffic circulation in the periphery of metropolitan areas. Traffic on the national highways, usually operating at a much higher speed than urban traffic, has become a grave danger as national routes approach metropolitan regions. The Congress of Mayors petitions the national authorities to adopt adequate and effective means of designating the approach to congested centers by means of signal lights and other safety devices.

Increased subsidy for national highways which include city streets in their routes. The Congress believes that the entire maintenance and repair charges for such streets should be assumed by the central government, but that the actual administration of such streets should be retained by the municipalities.

Compulsory automobile accident insurance. The Congress was in unanimous agreement that the central government should prohibit the operation of automobiles without insurance on the part of the proprietor of each vehicle to an amount of not less than 25,000 francs for each vehicle, covering accidents to others of whatever nature.

Municipal subscription to the bonds of the National Treasury and the Défense Nationale. The Congress requested the central authorities to make legal the investment of communal funds in the securities above designated.

Vital statistics. The Congress renewed its request to the registrars of vital statistics to record facts of mortality as an integral part of the record of birth required to be filed with said registrars; and petitioned the national authorities to give mandatory statutory sanction to this request. This petition emanated from a desire to facilitate the checking of electoral lists and tax rolls.

Postal franchises. The Congress petitioned for the return of the authority to grant and regulate postal franchises, which has been transferred to justices of the peace and the governmental attorneys, to the municipal mayors.

Reform of municipal finance. The Congress petitioned the government for immediate action regarding fiscal measures proposed by the previous Congresses and incorporated in the Piétri project, which was summarized in this depardment for December, 1931, but upon which action has, as yet, not been forthcoming.

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[1] Summarized from the Revue Municipale for February, 1932.

Social insurance. The ministries of public welfare and labor were requested to include in the conventions which hospitals are at present being asked to sign, to eliminate municipalities participant in schemes of social insurance from the payment of rates imposed in these conventions for hospitalization of indigents, etc.

Fiscal franchises for housing unions. The Congress petitioned that, instead of subvention of housing societies according to terms prescribed by administrative regulations governing departments and communes, the said organizations be granted the exclusive right to the proceeds of the tax on mortgages—at present a minor source of municipal revenue.

Interest on loans for housing construction. The Congress petitions for an increase, at least in so far as municipal loans are concerned, of the rate of interest for the next two or three years. Under the recent *Loi Loucheur* rates on agricultural and housing loans were appreciably lowered. In lieu of an increase of rates effective immediately, the Congress suggests that a definite date be set for the *Loi Loucheur* to run out, preferably within three years.

Loan fund. The Congress confirmed its action of the previous ten years in again advocating the creation of a *caisse d'avances,* to be "Permanent, endowed with sufficient and certain resources, to be granted corporate character, to have financial autonomy, and to be sufficiently endowed with capacity to issue both long and short-term certificates of indebtedness in behalf of the collective municipalities."

James E. Gates.

Staff, Bureau of Public Administration,
University of Virginia.

* * *

Hospital Supervision in Europe.—Mr. W. H. Harper of the Royal Hospital, Wolverhampton, submitted a report, summarized herein, which appeared in the *Municipal Review* (Westminster) for March, 1932, regarding the supervision and regulation of hospitals in Europe.

Germany. In practice, hospitals are bound by the laws and ordinances of the various states. Official authority must be obtained for the erection or extension of hospitals, and their site, construction, administration and medical direction are all subject to regulations. There are three groups of hospitals: (1) public hospitals maintained by the Reich, state or local authorities; (2) public utility hospitals, maintained by benevolent societies or foundations, for the benefit of the general public; (3) private hospitals run for profit. The administration of public and public utility hospitals is generally entrusted to councils set up by the authority or body to whom the hospitals belong.

Austria. Public hospitals in Austria are governed by the Federal Law of July 15, 1920, and Ministerial Ordinances of June 16 and August 5, 1923. Public hospitals receive any patient in need of treatment, fix uniform tariffs (of which there may be several classes), but do not differentiate in the treatment provided. If a hospital belongs to the public authorities, a control board on which are represented the state government and Parliament, the local authorities and the insurance companies, is set up.

Belgium. Hospitals are public or private. Public hospitals are constructed by the public assistance commissions (elected by the local councils) with their own funds or those provided by gifts or legacies, and with contributions from the districts, the provinces and the state. The site and plans of new public hospitals have to be submitted to the district and provincial councils. The directors of public hospitals are permanent officials. Private hospitals are not subject to any public authority, and there is no collaboration between public and private hospitals.

Scotland. The health department has extensive powers regarding public hospitals, but it has no power over private hospitals, with the exception of maternity hospitals and those which receive state aid.

France. Most of the hospitals are autonomous, but their governing bodies include representatives of the municipalities. There are also certain institutions of a national or provincial character, such as mental hospitals, sanatoria, homes for the aged, etc. These are administered by a director, who is generally nominated by the minister or by the prefect. New hospitals, in order to qualify for financial assistance, may be called upon to submit plans to the central or local authority.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY DARRELL H. SMITH *Secretary-Treasurer, G. R. A.*

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since April 1, 1932:

- Cincinnati Bureau of Governmental Research:
  - *Survey of the Organization and Operation of the Tax-Supported Hospitals in the County of Hamilton and City of Cincinnati*
  - *Survey and Report on the Budget Procedure for the County of Hamilton*
  - *Survey and Report on the Purchasing Procedure of Hamilton County*
- Detroit Bureau of Governmental Research, Inc.:
  - *Proposed Transfer by Detroit to Wayne County of Maybury and Kiefer Hospitals*
- Bureau of Governmental Research, Kansas City, Kansas:
  - *Welfare (Poor Relief) Activities of Wyandotte County, Kansas*
- Bureau of Budget and Efficiency, Los Angeles, Calif.:
  - *Study of a Proposed City and County Government of Los Angeles within the Present City Limits*
- Bureau of Training and Research, New York State Conference of Mayors and Other Municipal Officials:
  - *The Preparation and Administration of a Municipal Capital Budget*
- The Ohio Institute:
  - *County Organization and Government in Ohio*
- Municipal Reference Bureau, League of Virginia Municipalities:
  - *Comparative Tax Rates in Cities and Towns for 1930 and 1931*

Baltimore Commission on Governmental Efficiency and Economy.—By keeping an additional twenty-five cents off the tax rate of $2.45, the Commission has saved each taxpayer of Baltimore $10 on each $100 of taxes. This 10 per cent saving has been effected in the following manner:

The city's borrowing program was reduced from $69,000,000 to $29,500,000 and only $7,500,000 was ratified. This saved *twelve cents* from the tax rate and thirty-five cents from the tax rates of following years. A program has been adopted which will preserve the credit of the municipality and forestall any increase in the net funded debt.

Requests were reduced over $3,000,000 to conform more nearly to the city's revenue prospects for 1932. This kept forty-five cents from the tax rate. Had the budget not been cut $1,500,000 below the 1931 budget, fixed charges alone for 1932 would have added four cents on the 1932 tax rate.

Monthly analyses of receipts are submitted to the city to enable the accurate estimation of budget forecasts. Eight cents on the 1932 tax rate was saved through calling attention to current deficiencies in collections in time for steps to be taken to avert an impending deficit.

Modern corporation purchasing and storekeeping practices are being installed to assure the benefits of competitive bidding and quantity buying. One cent was saved from the tax rate by effecting a reduction of the inventory of materials in storage.

The reporting of the financial condition of the city of Baltimore to prospective investors in the city's securities enabled it to sell a recent issue at $123,000 above the price originally bid.

Means of savings in the business management of the public school system have been pointed out.

* * *

The Ohio Institute has just issued a report on "County Organization and Government in Ohio," presenting the results of a study of a group of nineteen representative counties. The survey deals mainly with those phases of county administration which throw the most direct light on the problem of organization. It brings out the overlapping and haphazard arrangement of county activities, the short tenure and lack of experience of county officers and employees, and the unsatisfactory financial and purchasing methods commonly employed. Among other things the study discloses that the per capita expenses of these offices where the work is most nearly standardized in character steadily rises as the size of the county falls. Relative to population, costs were found to be from a quarter to a third higher in counties under 20,000 than in the larger counties.

The report recommends a general reorganization of county government, providing a simple functional grouping of activities into departments and the creation of a chief executive with power to appoint and remove administrative officers. The amendment of the state constitution is urged to make possible reorganization and to secure greater flexibility of structure.

The field work involved in the study was handled jointly by the Ohio Institute, the Cincinnati Bureau of Governmental Research, the Dayton Research Association, and the research department of the Ohio Chamber of Commerce, the Institute covering twelve counties and the other agencies the remaining seven. The report was written by Dr. R. C. Atkinson of the Ohio Institute staff.

* * *

California Taxpayers' Association.—Effective organization has been completed to deal with the crucial financial situation which exists in the governments of the city and county of Los Angeles. Twenty-one men and women prominent in the community have come forward to take the leadership, under the auspices of the Los Angeles Chamber of Commerce and California Taxpayers' Association, of a movement destined to bring about a reduction in the expenditures of the city and county governments. This movement has for its purpose not solely tax reduction, but tax reduction with a minimum curtailment of necessary governmental services.

The Chamber of Commerce is giving financial support and will use its organization to place the facts before the people. California Taxpayers' Association will do the technical work vital to a farseeing and well-balanced program of retrenchment.

Among numerous problems which will have to be met are those presented by expenditures mandatory on the local legislative bodies.

* * *

The Thomas Skelton Harrison Foundation has recently published a report by the Bureau of Municipal Research of Philadelphia on the "Women's Misdemeanants Division of the Municipal Court of Philadelphia." Miss Ruth Topping, of the Bureau of Social Hygiene, Inc., made the study and is the author of the report.

The women's misdemeanants division has been termed the "morals court" of Philadelphia. This title exaggerates its work. Not all sex cases reach the division. The division does have exclusive jurisdiction over disorderly street-walkers of all ages, and is also concerned with girls between 16 and 21 called incorrigibles or runaways, or held as material witnesses, or seeking protection. The report considers the nature of the court's jurisdiction, facilities for detention and identification, and medical and neuro-psychiatric work in the division. Probation work is carefully analyzed; the case is carried through its reception at the complaint desk, preliminary investigation, and supervision. Circumstances often call for informal probation or friendly service, which is also analyzed and evaluated.

In the individual case in the women's misdemeanants division, the court aims to make a socio-legal decision. Socialized procedure and dispositions are emphasized. There is an appendix on the court as a public-health agency consisting of a letter written by Dr. Thomas A. Shallow, the medical director of the court, and an answer by Dr. William F. Snow, the general director of the American Social Hygiene Association.

A limited number of free copies are available for interested persons, upon application to the Bureau of Municipal Research, 311 South Juniper Street, Philadelphia, Pa.

NOTES AND EVENTS

Erratum.—The caption on page 51 of the January supplement on *Extent, Costs and Significance of Public Employment in the United States* by Dr. Mosher and Miss Polah was in error in stating that governmental employees in the United States receive only $2,600,000 annually. The figure should have been $3,898,000, as correctly shown in Table XVI on page 71. Readers who have filed this supplement or who intend to bind the current volume of the REVIEW should note this correction.

* * *

Norwich Bureau of Municipal Affairs.—The first decade of the Bureau of Municipal Affairs of Norwich University, Vermont, was the subject of a laudatory review recently by Mr. Frederick G. Fassett in the Boston *Evening Transcript.* This bureau under the direction of Professor K. R. B. Flint and serving both as a research information organization, has been of recognized usefulness not only to Vermont but to neighboring states.

* * *

American Association of Public Welfare Officials Joins Chicago Group.—Frank Bane resigned early in April as commissioner of public welfare of the state of Virginia and has accepted the position of director of the American Association of Public Welfare Officials, with offices at 850 East 58th Street, Chicago, Illinois.

The Association, organized at the National Conference of Social Work in Boston in 1930, has for the past six months been actively coöperating with the President's Organization on Unemployment Relief in Washington. With its newly established office now in Chicago, the Association will devote itself primarily to its permanent program—that of maintaining information, consultation and survey services for state, municipal and county departments of public welfare throughout the country.

* * *

The International Association of Comptrollers and Accounting Officers opened offices at 850 East 58th Street, Chicago, Illinois, on April 1, 1932. This organization is composed of the finance and accounting officers of various municipalities. The headquarters office will serve as a clearing house on information of value to its members and others interested in the financial affairs of municipalities. One of the foremost aims of the association will be to directly assist the member cities in obtaining information on their own problems.

The Association was organized in 1906 to foster efforts toward uniform municipal accounting and reporting and to coöperate with the bureau of census in the preparation of "Financial Statistics of Cities."

The officers of the Association are:

President: Frank J. Flanagan,
Finance Committee Staff, Chicago, Ill.
Vice Presidents: George D. Begole,
Mayor of Denver, Colo.,
C. E. Armstrong,
City Comptroller, Birmingham, Ala.,
Henry A. Allen,
City Auditor, Worcester, Mass.
Treasurer: R. F. X. Dooley,
City Accountant, New Rochelle, N. Y.

Carl H. Chatters, secretary, is in charge of the Chicago office.

The Twenty-Seventh Annual Meeting will be held in Washington, D. C., at the Raleigh Hotel, June 7, 8, 9, 1932.

Los Angeles Mayor Survives Recall.—Mayor John C. Porter of Los Angeles defeated nine candidates in the recent recall race. The election was held on May 3 in connection with the presidential preference primary, and proved to be the hottest political battle in the city of Los Angeles in years. It was the first time that the voters have balloted on a mayoralty recall since 1909, when Arthur C. Harper was ousted two years after he assumed office.

Almost overshadowing national and state issues, the heavy poll ran well above 50 per cent of the city's registration. The vote on the recall proposition was 196,000 "no" and 143,000 "yes."

An analysis of the election returns reveals that nearly 15,000 who voted against the recall failed to cast a ballot for Porter in the candidate race, and 19,000 who voted for the recall failed to cast a ballot for any candidate to succeed the mayor.

The hardest battles for recall were waged by the supporters of Charles W. Dempster and William C. Bonelli. These candidates received 77,000 and 74,000 votes respectively as against 179,000 for John C. Porter. The mayor's vote easily surpassed the combined poll of the nine candidates who sought his position. He received more votes than when he defeated Bonelli for the office in 1929.

The election was based on charges in the recall petitions—signed by more than 100,000 voters—that the mayor had squandered public funds, had proved incompetent and brought ridicule and insult upon himself and the city by his conduct at home and abroad. The last accusation had reference to his refusal, while visiting Europe last year with a group of mayors, to drink a toast to the government of France.

Mayor Porter says his victory is a demonstration that Los Angeles voters "have emphatically settled for all time the question of misuse of the recall."

Frances N. Ahl.

* * *

Citizen Criticism of New York City Budget.—

Editor, National Municipal Review,

Sir:

Will you permit a brief exception to Professor McGoldrick's unqualified statement that efforts to influence budget-making in New York City last year were "amateurish and inept"?

Besides the newspaper reports of budget hearings, to which I fear Professor McGoldrick's attention was largely directed, last year's budget season witnessed work like the following:

Talcott Powell for the *World-Telegram* wrote a series of factual descriptions of budget extravagance, including comparisons with budget retrenchment in other cities.

D. Y. Zuckerman of the Republican Political Research Bureau made an effective résumé of the city's wasteful and inefficient handling of the personal property tax, showing that the cost of collection in the law department exceeded the amounts collected.

Facts were presented by the United Realty Owners' Association such as very few cities or states have had given at budget times.

Over weeks of publicity the Institute for Public Service gave out comparative data, facts about departmental waste, proofs of inequitable assessing, etc. At the budget hearings it pointed out specific ways to cut, more numerous and better bolstered than is in most places considered necessary. It submitted constructive proposals respecting operation audits, use of the comptroller's powers, payroll certification calling for full-day and full-week service, a division of analysis and comparison in the tax department to deflate overassessments and eliminate underassessments.

Surely neither Professor McGoldrick nor the National Municipal Review can wish to disparage budget workers because the incidence of political power, newspaper space and taxpayer tactics did not show more immediate fruit from budget service.

Wm. H. Allen.

Institute for Public Service.

* * *

Voting Machines Opposed as Enemies of P. R.—

Editor, National Municipal Review,

Sir:

I wish to protest against any favorable reference to voting machines in the columns of the National Municipal Review. Their adoption is news and as such is to be reported; at the same time it seems to me that in every case it should be made clear that the adoption is a cause for regret rather than for rejoicing. The only advantage of voting machines is that they provide a very convenient and expeditious means of separating the votes for Tweedle-dum and the votes for Tweedle-dee, but this is a small compensation for interposing an additional obstacle in the path of electoral reform.

The most encouraging thing in the political field in recent years is the advent of proportional representation based upon the single transferable vote as used in Cincinnati. Unlike the old style ballot which at best permits the voters to choose the lesser of two evils, proportional representation gives all the intelligence there is in the electorate a chance to function and opens up large opportunities for the development of civic leadership.

Voting machines of the kind now on the market cannot be used in P. R. elections. If our cities invest considerable sums in voting machines the argument will undoubtedly be raised whenever a new city charter is being considered that the city cannot afford not to use this investment and that it therefore should dispense with the advantages of P. R. In a close election this argument might tip the scales on the wrong side.

After the Sacramento P. R. election an active member of the National Municipal League summed up the situation thus:

"Better spend a few days if necessary to find out who is elected and be glad than to get the result the next morning and be sorry ever after."

Charles H. Porter.
Massachusetts Institute of Technology.

* * *

Saint Paul's City Bank.—The Saint Paul City Bank, so-called, continues to function and build up a surplus in spite of the trying economic conditions through which the country is passing. Today it owns $9,700,000 of Saint Paul's outstanding bonds. Eight thousand citizens are holders of participating certificates representing deposits of $9,662,000 in the bank.

The bank was established in 1913 to solve the problem of financing city improvements and meeting current expenditures. The sinking fund committee of the city council is the governing board of the bank and sells participating certificates in multiples of $10, and with this income purchases only city of Saint Paul bonds. The certificates of the investors bear 3 per cent interest, while the bonds owned by the city bank usually bear between 4 and 5 per cent interest. The net profit from operations during 1931 was $63,800, while the accumulated surplus totals $213,500. The cost of operating the bank during the past calendar year was $11,530.

The year 1931 was a test of the strength of the bank. To begin with, the people of the city, as were those throughout the country, were going through a period of readjustment. Further, on July 1, 1931, the interest paid on certificates was reduced from 4 to 3 per cent. Then in the fall the grand jury conducted an investigation of the securities in the municipal sinking fund and reported that a substantial amount was unsalable. While the city sinking fund is in no way tied up with the city bank, a certain confusion arose in the public mind and resulted in a number of the investors withdrawing their deposits.

In spite of all these conditions there are outstanding today about $9,700,000 of participating certificates. This is approximately $3,000,000 under the peak deposit in 1930. Because of its security, since the faith and credit of the city are pledged to the payment of the certificates, and because of the small though certain rate of return, the bank continued to attract and hold the small investor.

A new test is now before the bank. People are beginning to dip into their savings. To just what extent this will take place during the present year is not known. At the present time the bank finds that small amounts are being withdrawn. In the aggregate, however, they have not amounted to enough to cause trouble up to the present time. The number of depositors, however, is about a thousand under the peak. To offset the loss in depositors, the rule that no person can deposit over $2,500 in the bank has been revoked and deposits of any amount are accepted.

A description of the history and functioning of the Saint Paul City Bank is contained in the September, 1927, issue of the National Municipal Review. It is suggested that those who desire further information on this subject consult that article.

C. P. Herbert.
St. Paul Bureau of Municipal Research.

* * *

Pennsylvania Public Service Commission Adopts Conference Method for Lowering Rates.—In January of 1932, Commissioner George W. Woodruff introduced a set of resolutions for adoption by the public service commission of Pennsylvania, reciting in a number of "whereases" the specific illegality of rates or charges by any public service company higher than sufficient to produce a just and reasonable return. The preamble went on to recite that several electric public service companies and municipal electric plants obtained a just and reasonable return in their business from charges even fifty per cent lower than those charged by approximately all the companies in that field.

The resolutions went on to call upon the companies to file new schedules with maximums not to exceed an initial charge of 75 cents per month for the first 15 kwh., 5 cents for the next 25 kwh., 3½ cents for the next 60 kwh., 2½ cents for the balance. It also called for penalties not to exceed 2½ per cent for delays in payment up to thirty days, and not to exceed 5 per cent for longer delays.

The program contemplated examination of the various rate structures and was designed as an initial move in a state-wide program of electric rate reduction.

The plan was seriously discussed by the commission but failed of passage by a vote of 3 to 3, a statutory majority of 4 being required. Those voting for the motion were Commissioner Woodruff, its sponsor, Commissioner Brown and Commissioner Gruenberg; those opposed were Chairman Ainey and Commissioners Shelby and Walker. Commissioner Emerson Collins was ill and not present at any of the sessions devoted to this problem.

The sentiment of the commission seemed to be in favor of some such step in the interest of the consumers, the indicated cleavage being on the manner of expression rather than on the end sought. In April a very much modified resolution was introduced by Judge Woodruff and failed of passage by the same division. Thereupon Commissioner Samuel Walker introduced a motion with a much milder preamble but following Commissioner Woodruff's motion for the appointment of a committee to study the rates charged by Pennsylvania electric companies and confer with them concerning their rates, with the purpose of persuading them to bring their tariffs in line with the statutory requirements, by such reduction as would produce a fair return but only a fair return.

This substitute motion was unanimously approved. Chairman Ainey appointed Commissioners Walker and Woodruff a committee to carry out the resolution. This committee has already started to function, basing its investigation on the sworn statements concerning capital investment, revenues and operating costs filed with the commission by the companies. It is hoped that by the conference method substantial reduction of rates, particularly for domestic consumers, as well as improved and simplified rate structures, may result, through voluntary action of the companies, without complicated procedure, burdensome cost, or inordinate delay.

* * *

Dissolution of Townships in Minnesota.—The township of Spruce Valley, Roseau County, Minnesota, has dissolved its government by action of its electors at the recent annual March town meeting. This action was taken under the authority of Chapter 96, Session Laws of Minnesota, 1931.

This law provides that

> Whenever the electors of any town, at the annual meeting or at a special meeting called for that purpose, shall have voted by ballot to dissolve the town organization hereunder and the town board thereof shall adopt a resolution setting forth such facts and asking for the dissolution of the town, and a copy of such resolution, duly certified by the town clerk, shall be presented to the board of county commissioners of the county in which such town is located, such board of county commissioners may, by resolution, dissolve such town and attach the territory formerly embraced therein to the adjoining town or towns, or provide for the government of such territory as unorganized territory of the county. If such dissolved territory is added to an adjoining town, the proposal therefore shall first have the approval of a five-eighths majority of the voting electors of such town to which the dissolved territory is added. Upon the adoption of such resolution by the county board such town shall be dissolved and no longer entitled to exercise any of the powers or functions of an organized town. Provided that the county auditor shall give ten days' notice by one publication in the paper in which the proceedings of the county board are published of the meeting of the county board at which such petition will be considered.

Notice of such dissolution is sent by the county auditor to the secretary of state for making appropriate entry upon his records. Provision is made for distribution and use of the funds coming into the county treasury belonging to the dissolved town and the county board is authorized to levy taxes to meet all outstanding indebtedness of the town. Real and personal property belonging to the town which can be used by the county revert to it, and their reasonable value is credited to the town and used to cancel or pay outstanding liabilities in the form of bonds or judgments.

Other laws previous to the 1931 law attempted to provide for the dissolution of townships. The last previous attempt was of special application in Lake and Cook Counties. Chapter 345, Laws of 1929, provided for the dissolution of all townships in any county having an area in excess of 75,000 acres and not having more than 8,500 inhabitants, and not to exceed ten organized townships, by a favorable vote of sixty per cent or more of the electors of the county voting upon the question. The question was to be initiated by a petition of voters equal to ten per cent of the votes at the last general election in the county. Upon dissolution this territory was to be governed as unorganized territory by the county. Lake County voted upon dissolution of its townships in 1930, but failed to receive the required majority.

Chapter 183, Laws of 1925, provides for forfeiture of town organization and dissolution by resolution of the county board for default, failure or omission on the part of any townships in counties having more than eighty-five congressional townships of land and a valuation of between five and twelve million dollars, to exercise any of the powers and functions of an organized civil township or to elect any township officials for more than three years continually. Chapter 40, Laws of 1925, permitted the county to dissolve any township that had failed to elect any town officials for a period of ten years or had failed and omitted for a period of ten years to exercise any of the powers and functions of an organized civil township, by resolution of the county board.

The general statutes relating to powers of the county board give that body power to govern unorganized territory.

Ambrose Fuller.

Attorney, League of Minnesota Municipalities.

* * *

Saving the City Manager Plan at Saranac Lake.—During February we heard mumblings of dissatisfaction and a whispering campaign regarding the inefficiency and extravagance of the manager plan. A petition was circulated by people whom we knew to have personal grievances because of jobs they had lost, engineers who had been employed by the village under the old plan, contractors who had done cement work on jobs for the village, and a few who had had the water shut off in their homes because of unpaid water rents of long standing.

This petition was to force a vote on whether to continue or discontinue the manager plan. This seemed to the League of Women Voters of vital importance and the executive committee decided on a plan of work. We gave notice of a meeting to which all interested taxpayers were invited to attend and submit any question they would like answered regarding our village management. We also gave notice that we hoped to create either by appointment or volunteer service a taxpayers' fact-finding committee to find the answers as far as possible to all questions asked.

This meeting was well attended and keen interest was shown. League members volunteered their services. The fact-finding committee sprang into being with two Democrats, two Republicans and a secretary, all giving their services. In all seventy-three different questions were submitted. I happened to be chairman of the committee. We went direct to our village office and obtained the facts and figures from permanent records. The mayor gave us access to all public records instructing the village clerk to help us to find all necessary data that would answer our questions.

We asked the board members to meet with us at their office. They answered all questions when they could and also certified as to the correctness of the village books, minutes, etc. The village clerk certified on our report that all figures we had there were correct according to records in his office. Some of the questions, as one could easily see, were asked to embarrass the manager plan, some were ludicrous, but many showed an honest interest and desire to know the truth and how the plan had worked. Comparisons of costs before and after the adoption of the manager plan in many different departments of the village government were asked and the task of answering was arduous. I presume if the committee had realized the amount of work involved they would have hesitated about tackling the job. However, we went through with it and I for one feel qualified to discuss our village affairs with a fair degree of intelligence. We learned many more facts than our questions covered.

The open meeting to hear the report was held March 10. At least seven hundred taxpayers were present. The report was long and covered many phases of village affairs. The audience showed the keenest interest. The whole meeting went off with dignity and seems to have been most convincing. We couldn't have hoped for better success. Our figures could not be questioned.

The day following our meeting some of our leading citizens, who were much impressed with our report, formed a taxpayers' association. They ran an "ad" in our local paper favoring the manager plan and sent out fliers to all the taxpayers. In working up this political advertising the fact-finding committee were often consulted.

Through these efforts the manager plan was saved for Saranac Lake.

Mrs. Halcyon H. Buck.
Franklin County League of Women Voters.

* * *

Reclassification of the New York State Service.—The resolution adopted in April, 1930, creating the Joint Legislative Committee on Reclassification set out as its primary purpose "to investigate into the civil service of the state with particular reference to salaries, grades and duties of officers and employees and their respective titles."

Faced with the study and review of duties performed by about 28,000 state employees, the task of the committee was considerable. What the survey disclosed bore out the contentions made by advocates of the reclassification study. Titles of positions proved to be misleading, vague and meaningless. For example, among the positions with title of "senior clerk" there were found ditto machine operators, guards, correspondence censors, attendants and even laborers. Among the old positions called "senior account clerk" were found a stenographer-translator, and an assistant engineer. Among positions that bore the title of "assistant stenographer" have been found persons performing duties of a copyholder, messenger, assistant matron, nurse, attendant and guard.

There were persons in the clerical group performing 100 different distinctive functions and requiring different designations of clerkships, all serving under the omnibus title of "clerk" regardless of rate of compensation or responsibility. Under the old title of "assistant" there were found 50 distinctive functional classes.

As to compensation the same chaotic conditions existed. To persons performing the duties of what should be a senior clerk, and where the compensation for such persons should ordinarily range from $1,620 to $2,100, fifty different rates of compensation were found, ranging from $696 up to $4,000. For a position that should pay between $1,260 and $1,500, assistant typist, 52 different rates existed through the state departments, ranging from $744 to $3,000.

The classification survey was conducted by Griffenhagen and Associates. The work has been well done, and we believe, that the $90,000 appropriated will prove a sound investment.

Naturally there has been dissatisfaction on the part of some individuals over the choice of titles and compensation schedules recommended. But in any classification plan no matter how well and carefully administered, it is impossible to satisfy everybody. Department heads and individual employees generally view the problem largely on the basis of their own individual experience and exaggerated importance of their own undertaking, rather than from the viewpoint of coördination of the service as a whole. Patience and diplomacy will in time iron out these minor difficulties. The classification and compensation plan has not been entirely completed. Further study and grouping of the positions in the field service still remains to be done.

It would be a pity if effective use were not made of all the valuable data collected by the Joint Legislative Committee. The disapproval by the governor of the Hewitt reclassification bill, although a keen disappointment to advocates of the merit system, should not lead to utter discouragement. There is good reason to expect that the classification plan may be invoked through administrative action without waiting for further legislation.

H. Eliot Kaplan.
National Civil Service Reform League.

* * *

Public Works Records and Accounting Manual Available to City Officials.—Within the past few days the Committee on Uniform

Street and Sanitation Records and the League of Minnesota Municipalities have distributed a Manual of Public Works Records and Accounting to approximately fifteen hundred public works officials, city managers, comptrollers, and interested governmental organizations. This manual describes a model installation made in the city of Winona, Minnesota, and recommended for use by cities of ten thousand to forty thousand inhabitants in improving their procedure.

This Winona manual differs in several respects from the Brunswick, Georgia, and Kenosha, Wisconsin, demonstration manuals published earlier by the Committee on Uniform Street and Sanitation Records. Section I of the manual explains the essentials of a public works cost accounting system and how cost accounts differ from a city's general accounts. A list of standard work units to be employed in measuring work done and in computing unit costs is included.

Section II of the manual contains definite instructions together with forms for operating the public works cost accounting system. The forms covering labor and payrolls, equipment, materials, and work done are illustrated together with the manner in which these items and overhead are consolidated into unit costs on a work and cost ledger.

The Committee on Uniform Street and Sanitation Records has found that motor equipment presents a difficult problem in every city. As a result Section III of the manual describes and recommends three plans for organizing and financing motor equipment. It sets forth the forms needed for controlling and posting gasoline, oil, repair labor, repair parts, and other equipment expense to an Individual Equipment Record. An accompanying form analyzes the equipment cost for each piece of city equipment. Section III also explains how equipment expenditures are budgeted and the manner in which appropriation and cost accounts should be charged for equipment use.

Through direct inspection of a large number of cities in the country the staff of the Committee on Uniform Street and Sanitation Records finds that the general accounting work is as a rule of very inferior order. As an aid to cities needing improvement in this phase of their administration, Section IV of the manual describes the general accounting requirements for controlling expenditures and income. A schedule is included at the end of the section which shows the main posting entries to be made to all general accounts and cost accounts of the city.

In spite of the great improvement made in budgetary procedure during recent years, the Committee finds that most cities do not aperate a budget worthy of the name and are not able to control effectively their expenditures, to plan their income, nor to schedule their work with any degree of certainty. These are times particularly in which a city will sink in the storm if it cannot control appropriations and know just how it is coming out not only financially but also with respect to work done. The manual therefore sets forth instructions in considerable detail for preparing a public works work program and for operating and executing a city budget.

The Committee, which is financed and staffed by the International City Managers' Association, is prepared to aid cities which need assistance in adjusting the proposals of the Winona manual to conform with local conditions. Inquiries should be addressed to the Committee on Uniform Street and Sanitation Records, 923 East 60th Street, Chicago.

* * *

State Assumption of County Roads in Virginia.—Early in the 1932 session of the Virginia legislature a bill was introduced proposing to relieve county and municipal real property rates to the extent of $5,000,000 by increasing educational grants-in-aid by that amount. It was proposed at the same time to divert for educational subsidization purposes the sum of $5,000,000 from automobile license tax collections, which tax realizes normally about $6,000,000. This tax is statutorily segregated to highway uses. Former Governor Harry Flood Byrd opposed this diversion and summarized his position in the following terms:

> To ask motorists to pay a toll for the use of the roads and then expend that toll for other purposes of government is neither just nor wise. As well divert a tuition fee paid the University of Virginia or the game license paid for the privilege of hunting.

As a result of this statement a former lieutenant-governor, Junius E. West, who earlier had favored the diversion of state road funds to schools called on Mr. Byrd to suggest a definite plan for the relief of local real property rates. The "Byrd plan," so-called, which is similar in virtually every important respect to the North Carolina bill of last year which centralized all non-municipal roads in the state, is the outcome of this request.

The Byrd plan as embodied in the Harman bill provides in brief that the state take over the financing and the administration of all county roads—approximately 45,000 miles. An optional clause was introduced and agreed to by Mr. Byrd which permits counties to vote not to come under the county road plan; such counties, however, will receive only the normal increase in the gasoline tax, but not the amount previously distributed allegedly for equalization purposes. Another proviso of the act prohibits the state highway commissioner from changing the route of any existing county road without the consent of the state highway commission and the local board of county supervisors for the county or counties in which the alteration is contemplated.

The state has assumed a new obligation of not less than $6,600,000 annually and, in discontinuing the thirty per cent allocation to the counties of the fuel levy aggregating three and one-quarter millions of dollars, must pay approximately three and one-half millions for the privilege of administering the county roads.

One of the highlights of the discussion of the Byrd plan was the address of Governor O. Max Gardner of North Carolina before the Virginia legislature. The substance of His Excellency's remarks was that he would rather see Harry Byrd president than any man in America, and that the state administration of local roads had "relieved" North Carolina county taxpayers of $8,250,000 a year.

Thomas W. Oslin, former speaker of the house of delegates, led the opposition to the Byrd plan in the early days of the session by defending the diversion of road funds to local education. He said, referring to the road funds:

> Because the funds are derived from any particular source does not invest them with sanctity, nor render them inviolate for use in other crying needs of the people. Shall a state policy fixed in boom times, become so static that no emergency, however grave, be permitted to disturb it?

Dr. William H. Stauffer, economist for the state department of taxation, has issued a statement estimating that the Byrd plan will save county ratepayers $3,276,190.51. This is a purely hypothetical calculation made on the basis of 1931 road levies in the individual counties. Dr. Stauffer's calculations indicate a possible saving of from $154,224.10 in Wise County to $645,000 in Powhatan County.

As a problem in public finance centralized road administration stands, due to the revenue source segregation extant in Virginia, on the same basis as subsidization and grants-in-aid. As enacted by the Harman bill, central road administration is subject to the same criticisms which have often been made of state grants-in-aid for local highways in Virginia. Subsidies under the old system of highway grants bore no relation to population, area, existing mileage or assessed valuation back of each mile of road. Likewise the central administration provided for in the Harman act relieves the taxpayers but bears no relation to the need for relief.

It is one of the truisms of public finance, too obvious to require comment, that when a tax source is relieved of a governmental cost, the substantive relief effected is much less in dollars and cents than the cost of the function of which it is relieved. If the Byrd plan be considered exclusively as a measure of tax relief, and if it be noted, as it should be noted, that no power remains in the state to *compel* the savings to the county ratepayers which the plan intends to provide, and if it be further noted that a considerable number of boards of county supervisors have announced that they will stand pat on their total general property levies, then it seems apparent that the Byrd plan will prove somewhat of a boomerang unless it receives more coöperation from the local authorities than is evident at present.

Governor Pollard in waiting until the first day of April to sign the Harman bill displayed a subtlety of humor which has not previously been apparent even to those who know him intimately. At the same time he commented to the effect that the Harman act would serve as a warning to the counties that unless they perform their functions economically and efficiently they might expect to be "relieved" still further by the central administration.

R. L. Hilldrup.

Bureau of Public Administration,
University of Virginia.

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CONTENTS FOR JULY

Editorial Comment .... *H. W. Dodds* 407
Headlines .... *Howard P. Jones* 411
Mayor Walker Takes the Stand .... *Joseph D. McGoldrick* 413
The Attempted Recall of the Mayor of Los Angeles *Stanley Rogers* 416
Portsmouth's Tax Installment Plan .... *Harold I. Baumes* 420
Baltimore's Municipal Department of Music *Frederick R. Huber* 422
Modern Government in a Colonial City .... *James E. Pate* 424
Reproduction Cost and Falling Price Levels *George E. Goldthwaite* 427
What Municipal Home Rule Means Today
VII. Texas After Twenty Years .... *Frank M. Stewart* 434

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 442
II. Recent Books Reviewed 446
III. Judicial Decisions .... *Reviewed by C. W. Tooke* 455
IV. Governmental Research Association Notes ...... *Edited by Darrell H. Smith* 461
V. Notes and Events .... *Edited by H. W. Dodds* 462

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THE LEAGUE'S BUSINESS

Plans for 1932 Convention.—As previously announced on this page, the thirty-eighth annual meeting of the National Municipal League will be held at the Willard Hotel, Washington, D. C., on September 19, 20 and 21. The annual meetings of the following organizations will be held at the same time and place: American Civic Association, American Institute of Park Executives, American Legislators' Association, National Association of Civic Secretaries, National Council for Protection of Roadside Beauty, and Proportional Representation League. Joint meetings of all the organizations will be held at luncheon on Monday, September 19, at which the subject of discussion will be "Citizens' Support for Planning and Government," and the banquet session at 6.30 P.M., Tuesday, September 20, on the subject of "Parks."

The separate sessions of the National Municipal League will all be devoted to the theme of

PAYING FOR LOCAL GOVERNMENT DURING DEPRESSION

This theme will be developed with sessions in the following order:

The Problem

A. Increasing Demands Upon Government vs. Declining Revenues, Monday, 2:30 P.M.
B. Cutting Costs vs. Elimination of Services, Monday, 6.30 P.M., and Tuesday, 10:00 A.M.
C. The Need for Planning Future Expenditures, Tuesday, 12:30 P.M.

The Solution

A. Through Unloading the Politician, Spoilsman and Racketeer, Tuesday, 2:30 P.M.
B. Through Changes in the Area and Functions of Government, Wednesday, 10:00 A.M.
C. Through Changes in the Structure of Government, Wednesday, 12:30 P.M.
D. Through Improvement in Personnel, Wednesday, 12:30 P.M.
E. Through Changes in the Incidence of Taxation, Wednesday, 2:30 P.M.

The Honorable Murray Seasongood, president of the National Municipal League, will preside at all these sessions. The complete program will be announced later; but already the following nationally-known speakers have agreed to be present: Louis Brownlow, Honorable Seabury C. Mastick, Lawson Purdy, George W. Booth, chief engineer, National Board of Fire Underwriters, C. A. Dykstra, Thomas H. Reed, George McAneny, president, National Civil Service Reform League, Robert Murray Haig, president, National Tax Association, Silas Strawn, and Harold S. Buttenheim. All indications point to a large attendance and a most interesting convention.

A number of additional entertainment features are being arranged by Miss Harlean James, executive secretary of the American Civic Association, who is serving as chairman of the committee on arrangements. The other organizations sponsoring this meeting will convene on Sunday, September 18, and on the afternoon of that day will enjoy a sight-seeeing trip around Washington, followed by supper and meeting in the assembly room of the New Commerce Building, at which moving pictures will be shown of parks and planning in Washington. Two trips are also planned following the convention. On Wednesday evening, September 21, a boat, *The District of Columbia,* will leave on a sight-seeing trip to the National Colonial Monuments and the Williamsburg Restoration in Virginia. The cost of the trip will be $15 to all delegates at the conference.

A special week-end trip to Shenandoah National Park is also planned from Friday, September 23, to Sunday, September 25. Automobile transportation will be furnished by the Washington members of the American Civic Association, American Institute of Park Executives and the Potomac Appalachian Trail Club. Friday and Saturday nights will be spent at Skyland, on the crest of the Blue Ridge Mountains. All members of the National Municipal League are invited to participate in these sight-seeing excursions.

RUSSELL FORBES, *Secretary.*

Editorial Comment ✣ July

NATIONAL MUNICIPAL REVIEW

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The August issue of the REVIEW will be a special county number, in which the current trends in county and rural government will be described and analyzed. It will be an important contribution to the literature on the subject, worthy of filing and cataloguing as an individual document.

*

Henry Hodges, an old contributor to the REVIEW, sends from Berlin two items of interest to students of municipal government.

A Berlin correspondent (whose sense of humor hard times have not completely ruined) writes the Dortmund *General Anzeiger* to ask for some statistical information. He wants to know how much time is required for a scrubwoman to clean (a) a cuspidor, (b) a toilet, (c) a square foot of floor space—(1) with dry cloth, and (2) with wet cloth.

To meet the very evident surplus of taxicabs cruising in city streets, Berlin has passed a new ordinance permitting only even numbered taxis to appear on the streets on even numbered days of the month and only odd numbered taxis on odd numbered days. All cabs have large serial numbers painted on both sides to indicate on which day they can legally be operated.

Happy-Go-Lucky Citizens In an address upon the occasion of the twentieth anniversary of the Detroit Citizens' League, Dr. Edgar DeWitt Jones, pastor of the Central Woodward Christian Church of Detroit, attributed many of our political ills to happy-go-lucky citizens. These citizens may prate about their citizenship but refuse to regard it seriously. They are four types, as follows:

1. The citizen who thinks everything will come out all right in the end. He is a Pollyanna philosopher who lives in a political world of make-believe;

2. The citizen who declines to participate in politics because it is out of his line. He differs from the first type in that he believes everything will not be right unless somebody makes it right, but he expects others, not himself, to act in this capacity;

3. The lawless happy-go-lucky citizen who drives through a red light without compunction if he thinks it is safe to do so. He is a menace because he thinks laws are made for others, not for himself;

4. Finally, there is a blind partisan, the traditionalist in politics. He lets the political boss think for him. He always votes the straight ticket. Yet he is a lesser evil than the man who seldom votes or does not vote at all.

The Reclamation of the Lower East Side Everyone has heard of the Lower East Side, that part of Manhattan bounded by East 14th Street, Third Avenue, the Bowery and the East River. The name is synonymous with poverty, slums and babel of tongues. It is now a vast blighted area, economically and socially. Is there any hope for it? The East Side Chamber of Commerce and the Lower East Side Planning Association think that there is. So they retained Harland Bartholomew and Associates to prepare a new plan for the famous district.

The planners found an area of 900 acres in which population had decreased 52 per cent in twenty years (1930 pop. 249,755); in which 16 per cent of the stores are vacant; in which land and improvement values are declining. Rapid transit, automobile, cessation of immigration, removal of the garment industries, obsolete construction and evil reputation have all contributed to the result. Yet the district is said to be more favorably situated for dwelling use than any other part of the city and appears capable of a most economical and permanent reconstruction.

The situation is an economic, social and aesthetic mistake of which the city at large is still unaware. Indeed the existing zoning ordinance tends to perpetuate the mistake. In a territory predominantly adapted to residences there are but 10 small areas zoned exclusively for dwellings. Radical changes in the zone plan, as in the minor street system, are necessary.

There is no hope, declares Mr. Bartholomew, in efforts to renovate existing buildings or to construct new buildings on individual lots. Many present owners are without sufficient funds so to improve, even if it were desirable. No satisfactory solution exists short of complete rebuilding in large units.

To ascertain the practicability of the large scale, unit type of building operation for the Lower East Side, John Taylor Boyd, Jr., made an analysis of one specific district. His conclusion is that neighborhood units of a new and superior standard, providing residences at moderate rentals, are possible. Each unit would include facilities for shops, schools, playgrounds, parks, churches and open spaces. The Lower East Side is already divided into neighborhood islands by its major and secondary thoroughfares. It is admirably situated as a home site for office workers. Its accessibility to the Wall Street district and to uptown business centers, and its low general land values are strong arguments for development into a higher economic use.

Such an undertaking is, of course, too gigantic for any single individual. Mr. Bartholomew, therefore, recommends the organization of limited dividend housing corporations as the most promising method of attack. Private initiative and private capital can probably do the work, he believes. But he is not absolutely certain. Subsequent experience may prove that the East Side is fitted for only a low cost type of housing for the lowest income groups (such as at present inhabit the area) which can be built only by aid from the city or state. It is a fair assumption, however, that this immense blighted region can be restored on a profitable economic basis if modern principles of planning and the best known methods of large scale construction are utilized.

When the depression hit us, plans were in process for at least one neighborhood unit on the East Side. With the return of prosperity we may expect renewed activity looking to the reclamation of an area too rich in possibilities to be long overlooked. The results of the experiment will be of tremendous significance to all cities suffering the economic wastes of blighted sections.

Trial by Courts or Commission? Are personal injury cases better handled by a court or by a commission? This is the question which the section on the Administration of Justice of the Commonwealth Club of California has asked. Although the section reported itself hopelessly divided on major recommendations, the findings of fact, revealed by the Club's research service, are all in favor of the commission.

Since 1913, California has had an industrial accident commission to handle claims of injured employees in accordance with the workmen's compensation law. Should a similar body be created with respect to the remaining fields of personal injuries, particularly automobile accidents which account for the majority of non-industrial personal injuries?

To find out the actual situation, a study was made of the 263 fatal auto accidents in the Bay region in 1927, and of the first 200 personal injury cases in the supreme court in San Francisco in the year 1928. The 200 latter cases were then compared with the first 200 cases filed with the industrial accident commission in the same year. The results present striking variations in respect to the swiftness, certainty and cost of justice as administered by the two bodies.

The average time consumed in court cases which reached a final judgment was more than 60 weeks; in commission cases it was only 8.7 weeks. Even in court cases settled before trial (a majority are so disposed of) the average time consumed was one year. One hundred per cent of the commission's awards were paid in full; only 69 per cent of the face value of the court awards were paid. The net recovery of plaintiffs in court actions, after deducting medical expenses, attorney fees and court costs, was 40 per cent of the face value of judgments wholly or partially satisfied; the net recovery under commission procedure was 91 per cent. Attorneys' fees in court cases in which judgments were wholly or partially satisfied amounted to 34 per cent of the gross amount recovered; in commission cases they were 3 1-3 per cent. Average court costs in trial cases were $61.32; in commission cases costs averaged 86 cents. Another way of illustrating the comparative expense of the two methods of adjudication is by the following extract from a table of the research report:

Awards and Judgments	*Court*	*Commission*
Average recovery per settled case	$6,175	$972
Average net recovery	2,913	968

It appears that only about 20 per cent of the total automobile deaths result in law suits. Only one-third of all court cases are carried to judgment, whereas in industrial accident cases almost 80 per cent are carried to decision, and 10 per cent more are closed by settlements approved by the commission.

"We infer from these figures," concludes the report, "that the confidence of litigants in the efficiency of judicial system is impaired because of the delay, expense and uncertainty of litigation."

The committee is divided as to whether the courts and the commission may be fairly compared. Insurance is compulsory under the workmen's compensation act; not so for automobile drivers or owners. In the former, damages are standardized and are based almost exclusively on loss of earnings; in the latter, damages lie in the discretion of the jury and include alowance for pain and suffering. Court actions, it is further asserted, frequently involve more complicated facts and issues than are presented in compensation cases before the commission. Negligence is not an issue in workmen's cases as it is in personal injury suits. Appeals to higher courts from lower courts involve broader and more complicated questions than do appeals from the commission.

On the other hand it is urged that both classes of cases involve the trial and determination of similar questions of law and fact, and in the last analysis are comparable judicial proceedings. While the procedure of the commission is more simple and expeditious than court procedure, it is claimed that the two systems do not present essential differences. Many of the procedural advantages enjoyed by the commission can be applied equally well to the courts. Moreover, damages recoverable in automobile cases can and should be standardized, as are workmen's compensation damages, and automobile insurance should be made compulsory as in the case of employers.

As to quality of justice measured out by the two systems, no marked disparity appeared.

The suggestion that automobile accident cases be made commission, rather than court, matters is indeed a bold one, too radical for the Commonwealth Club itself to endorse. But, in our opinion, the case is clear for sweeping changes in our treatment of automobile accident cases, which have come to be fairly well standardized and classifiable. Much of the court procedure is obsolete if not positively harmful (consider medical experts testifying for a contingent fee). The commission method has established that a more direct approach to a settlement is possible without sacrifice to essential justice.

Since the Commonwealth Club's report was issued the Committee to Study Compensation for Automobile Accidents has published its report, in which approval is given to the compensation plan for injuries caused by motor vehicles. This plan discards entirely the principle of negligence and requires every motorist whose automobile causes an injury to pay compensation in accordance with a statutory scale of benefits, after the analogy of workmen's compensation laws. It requires every motorist to carry insurance for his liability to pay compensation. It contemplates for the great bulk of cases prompt and inexpensive relief to injured persons and to the families of those who are killed. The committee believes that the prevailing principle of liability for fault only is a principle of social expediency, and not one found on any immutable basis of right.

The man who has never participated in an automobile accident, and expects never to do so, still has a pecuniary interest in accident cases. Insurance companies pay out each year approximately one hundred million dollars in claims for automobile injuries to persons and property. Money properly saved in the adjustment of these claims will, in due time, leave us more to spend for gasoline to enjoy the fine roads our taxes are building. But that would mean more accidents, so perhaps the problem of claims settlements is more one of equity than of economy, except for the parties litigant, in which class, however, any one of us may fall without a moment's notice.

HEADLINES

Removal of Jimmy Walker as mayor of New York city seems assured, whether or not Roosevelt gets the Democratic presidential nomination. If he gets it, the governor will have to go before the country as an anti-Tammany man to be elected. If he fails to get the nomination, he will certainly have no reason to back down on his own statement that an elected public official "owes a positive public duty to the community to give a reasonable or credible explanation of his sources of income."

* * *

Movements toward county consolidation in 64 counties of 20 states and 17 state-wide consolidation proposals contradict the apparent political difficulties of putting over such mergers. Declining personal incomes are the heart and soul of such efforts; social tradition and politics as well as privileged commercial interests may have to kneel before this new power.

* * *

The model registration law used by Louisville cannot apply to all of Jefferson County despite passage of a bill to that effect by the legislature, because of constitutional provisions forbidding local or special legislation, the Kentucky Court of Appeals has ruled. Another instance of a once sweet court provision turning sour with the march of time.

* * *

A commission to study the cost of the state government of Michigan has been organized, the governor appointing three members, the lieutenant governor three, and the speaker of the house three.

* * *

Merger of the 103 departments, bureaus and commissions of the state government of Arkansas into 15 is being considered by the governor's commission on reorganization.

* * *

Movements for the manager plan are under way in 128 cities and 28 counties in 37 states at the present moment. Oddly enough, the recent election record has spelled defeat for such efforts. Is fear of the unknown making the majority of voters cling to the known? If so, Hoover's chances are better than they have been pictured.

* * *

A proposed constitutional amendment providing for an executive budget system for the state of Missouri has been endorsed by the Associated Industries of Missouri, which is circulating petitions in its behalf. A companion amendment would prevent either house of the legislature from employing more than 75 employees.

Copying the Christmas savings club idea, Detroit banks have launched a system of taxpayers' clubs which provide opportunity to pay taxes in small monthly installments throughout the year. The plan has been formally approved by the city council and the city treasurer will mail out announcements explaining the plan with this year's tax bills.

* * *

Agitation to make Buffalo a separate county is stirring interest in that lake city. More of such proposals will undoubtedly be heard as urban taxpayers see they are supporting needless layers of government.

* * *

Petitions are being circulated throughout the state of Ohio in behalf of a constitutional amendment permitting counties to draft their own charters. The amendment also makes provision for the redistribution of functions between existing units of government.

* * *

Detroit's offer to pay taxpayers 6 per cent interest on next year's taxes paid before the due date, July 15, has brought $1,750,000 into the city treasury.

* * *

Budget cutting is becoming politically as well as financially necessary these days. The new Chicago budget as presented to the city council is $24,000,000 lower than last year.

* * *

Consolidation of counties is not drastic enough for a Denver citizen, who has drafted a plan for merging the present 48 states into 15. Well, why not—it would be a simple matter to glue together again North and South Carolina and Virginia and West Virginia . . . . what's the matter, did the audience leave?

* * *

Once a year the Berkeley, California, city hall holds "open house," inviting all citizens to come and see the wheels go round. This year 3500 took advantage of the opportunity.

* * *

The administration of criminal justice is certainly making great progress these days. The latest comes from Pennsylvania, where a justice of the peace sentenced five dogs to 30 days in jail for killing 40 sheep and a prize bull.

HOWARD P. JONES.

Mayor Walker Takes the Stand

THE mayor's wisecracks satisfy his followers but Judge Seabury and many others remain unconvinced

BY JOSEPH D. McGOLDRICK

Columbia University

THE long promised climax of the Seabury investigation came with the summoning of Mayor Walker to the witness stand. The case against him had been taking shape during the two weeks previous, particularly in the disclosure of the extraordinary activity of Senator John A. Hastings, long an intimate of the mayor. Senator Hastings had actually been in the employ of the promoters of the Equitable Coach Company. The most amusing item introduced up to this point had been the following telegram sent by J. A. Smith to Frank Fageol of the Equitable Bus group:

NL SYRACUSE MAY 17 1928
F R FAGEOL
BILTMORE HOTEL LOS ANGELES CALIF

NO ANSWER YET YOUR SUGGESTED FINANCING STOP HE ADVISES WAR BOARD NOTIFIED BOY FRIEND TIME LIMIT WAS APRIL FIFTEENTH STOP HAVE MADE PROGRESS UPSTAIRS AND ARRANGED MEETING LATE YESTERDAY BETWEEN JUDGE AND BOY FRIEND BEFORE HE LEFT FOR FLORIDA STOP JUDGE REPORTED FAVORABLE PROGRESS AND EXPECTED SEE HIS BOSS TODAY AND ADVISE ME MONDAY STOP HIS BOSS POOR HEALTH ORDERED AWAY FOR MONTHS BUT IF HE SAYS YES WE CAN GET EXTENSION WILL KEEP YOU ADVISED-

J A SMITH

As interpreted by Judge Seabury "he" in the telegram referred to Senator Hastings, the "boy friend" was Mayor Walker, the "war board" Tammany, "upstairs" meant the General Electric offices in the Equitable Building, the "judge" meant the general counsel for that company, and the "boss" either Owen D. Young or Gerard Swope.

THE $10,000 LETTER OF CREDIT

The case against Mayor Walker developed in connection with three principal matters. The first of these involves a $10,000 letter of credit. This letter, drawn in the name of Mayor Walker for a trip abroad in 1927, was paid for by one J. Allen Smith. Just before returning from Paris, the mayor drew $3,000 in excess of this amount. Senator Hastings and the mayor explain that the $10,000 represented a sum of money collected from the members of the party, which had been turned over to Smith in order that he might make an impression upon the officers of the bank. Neither was able to offer any explanation as to why Smith should have been called upon to pay the $3,000 overdraft, which he ultimately did with a check drawn on a Syracuse bank.

STOCK TRANSACTIONS

The second item involves the delivery to the mayor of $26,535 in bonds from Sisto & Company, brokers. Mr. Sisto testifies that he had met the mayor for the first time in Atlantic City in 1929, and at this very first meeting had suggested to him that Cosden Oil was a good buy; that the mayor had said that he had no money for any such speculation, and that Sisto had said that he would carry it for him without any money; that subsequently a profit of some $26,000 had been made on some Cosden Oil purchased for the mayor in this manner, and that this profit had been turned over to him in the form of bonds. Sisto and his firm were actively interested in the Parmelee Transportation Company and other taxicab concerns. Mayor Walker admitted the receipt of these bonds.[1] He could see no impropriety in permitting an admiring broker to carry an account without his having put up any money or having signed anything that would have obligated him in case of loss.

There was also a question involving a stock transaction in which the mayor flatly contradicted his own park commissioner, Walter R. Herrick. According to Mr. Herrick, the mayor had arranged for participation in the purchase of stock in the Interstate Trust Company, which was being organized by the former governor of New Jersey, George S. Silzer; and he, Herrick, had purchased 350 shares of which 300 had been bought for the mayor and were ultimately transferred to J. Allen Smith, Frank Fageol, and Senator Hastings—all of the Equitable Bus group.

In the course of his testimony, the mayor did admit that he had received over $246,000 in cash from an account opened for him by Paul Block, the well-known newspaper publisher. This money was not banked but put in a safe in the mayor's home. Block explained that this generosity toward his friend the mayor had been prompted by the question of his ten-year-old son as to how the mayor could live on his salary, then $25,000.

SHERWOOD

The greatest difficulty that Judge Seabury found was in trying to establish a positive connection between Mayor Walker and the huge deposits of Russell T. Sherwood. Sherwood disappeared from New York when Mr. Seabury's investigators started to look for him. He was presently discovered in Mexico on a honeymoon, and has since completely disappeared. Sherwood, a $3,500 a year accountant, employed by the mayor's former law firm, had deposited upwards of $961,225 in the course of five and a half years. The day before Mayor Walker sailed for Europe in 1927, $250,000 had been withdrawn by Sherwood from this account. It was established that Sherwood had acted for the mayor in numerous instances, had been authorized to collect various counsel fees and withdraw collateral for him, held a safety deposit box jointly with him, had drawn checks for the mayor to Mrs. Walker and the mayor's sister and had made payments for him of $75,000 to "an unnamed person." But the mayor denied that he was in any wise involved in Sherwood's huge bank accounts or that he had any knowledge of Sherwood's having shared half of the fee of one Scanlan who sold snow removal equipment to the city.

FEES SPLIT WITH MAYOR'S BROTHER

It was also shown that the mayor's brother, Dr. William H. Walker, had deposited $431,258 in four years, and had shared in the fees of four of the six physicians designated by the city to render service to city employees entitled to workmen's compensation. He had joint bank accounts with two of them, and a safety deposit box with one. Dr. Walker is also a medical examiner of the department of education and a member of its retirement board.

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[1] Judge Seabury afterwards pointed out that these included ten bonds of the Reliance Bronze and Steel Company, which later received a contract from the city for traffic standards on Fifth Avenue. This constituted, in Judge Seabury's view, a violation of a section of the charter which declared that no city official shall become interested directly or indirectly in a company obtaining a city contract. The mayor had claimed that he gave these bonds to Mrs. Walker, but it was demonstrated that coupons of these bonds were deposited from time to time in Mayor Walker's own bank account.

The completion of the mayor's testimony marked the conclusion of this phase of the Committee's work, and adjournment was taken for the summer to permit a subcommittee to go ahead with recommendations for legislative enactment. Governor Roosevelt indicated through the press that he wished Judge Seabury to transmit the testimony to him. After a few days, eight volumes of testimony together with an analysis and a letter reducing the testimony to 15 specific accusations were sent to Albany. Upon receiving it the governor requested two eminent and independent Democratic lawyers, Martin Conboy and John E. Mack, to analyze the legal aspects of the testimony for him in order that he might make his decision. The governor made it clear that he regarded Judge Seabury's letter as constituting charges and that the responsibility was distinctly his own and that these lawyers were being appointed solely to assist him in analyzing the voluminous testimony. Various civic bodies incorporated the accusations in formal charges for removal.

The Attempted Recall of the Mayor of Los Angeles

AMIDST a welter of issues Los Angeles voters decide that Mayor Porter shall serve out his term

BY STANLEY ROGERS

Los Angeles, California

THE recall of Mayor John C. Porter of Los Angeles, contested mainly on the basis of his opposition to the municipally owned power plant, failed in the election of May 3, as it was doomed to do.

The recall petition, based on "inefficiency and incompetency" in office and unfriendliness to the interests of public ownership, was signed with such diverse hearty acclaim that out of more than 110,000 signatures only 53,000 were found to conform with the thoughtful details of the law. The motives actuating the petitioners in the calling of the election were, indeed, so diverse that they never lent themselves to unification or clear scrutiny in the public mind. Perhaps the recall had its inception in the mayoralty election of 1929, when Mayor Porter was placed in office by the wishes of some 20 per cent of the voters; for, ever since his induction into office, holders of many varied points of view have believed that the mayor was not a representative official.

His record during two years and nine months has consistently borne out this opinion. Few of his policies have met with general approval; or, rather, the mayor, blundering along, has demonstrated that through lack of proper experience, lack of political perspective, and probably through lack of native ability, he has been unable to formulate either practical or ideal political principle or policy. Going into office on a wave of church brotherhood politics, Mayor Porter immediately instituted a regime of "super snooping," through personal investigators working out of his own office, greatly to the embarrassment of the regular police force. The press has repeatedly charged that speakeasies, gambling, and the general activities of the underworld openly flourish in sight of the city hall. The mayor has disturbed, it is alleged, the general functioning of civil service rules, especially as they applied to Jews and Catholics, and dismissed from years of service the most efficient health officer the city has had.

CONFUSED ISSUES

In the matter of appointments to commissions, he has acted with singular stupidity, bringing into office men whose adaptability to governmental affairs has not been their chief virtue. And as regards appointments to the water and power commission he pursued a policy openly inimical to the best interests of public ownership.

This fact, alone, might have formed ample basis for a successful recall; but as the main issue it became further confused. The political "outs" wanted "in"; and back of the recall many citizens suspected the hand of a former boss. With the fall elections coming up, calling for the selection of a United States senator, eight congressmen from Los Angeles County, not to mention thirty state assemblymen, four supervisors, thirty judges, a district attorney, and a vote on the wet-dry issue, could any one ambitious to be boss have spurned the opportunity to build up a machine? Unfortunately, too, for the interests of public ownership, the prohibition question and the illiberal views of the mayor pushed the success of the recall further into the background. Many citizens feared an "open" city. The "dry" element led by the Women's Christian Temperance Union, the Anti-Saloon League and the Prohibition Party, fearing that the "wet" candidate might be elected, and believing Mayor Porter the strongest of the "dry" candidates concentrated on him, not because they had any special confidence in the mayor, but because they feared the election of a "wet." From the point of view of the "wets," with the Olympiads before her, Los Angeles' sense of decent hostship dictated an entertainment of guests free from the unsportsmanlike "super snooping" tactics of the mayor. Many such citizens desired to rid themselves of the bad dreams of having permitted the election of a mayor so stupid, they said, as to threaten constant public chagrin before representatives of the world. For a moment, at least, the oblique light of the Comic Spirit fell upon Los Angeles revealing her absurdities to herself. As one journalist remarked, after all, dumb as Mayor Porter is, he is not an unfitting representative of the majority of the voters of Los Angeles.

To these lesser public perturbations, should be added two of more power in deciding the election. Many citizens, both "wet" and "dry," entertained a general feeling that the election was a misuse of the recall, since Mayor Porter had committed no criminal offense, and was a "well-meaning man, honest according to his lights," with but a little more than a year to serve. This group was encouraged by that press opinion which holds the law of the recall, and certain other progressive legislation, to be utterly pernicious. Of more significance was the failure of the associations friendly to municipal ownership to unify the issues and find a common, conservative basis of appeal in behalf of the power plant.

DEFENDERS OF MUNICIPAL OWNERSHIP BUNGLED

The leadership in the organizations whose function it is to promote the interests of municipal ownership, is at present unhappily dominated by men who belong to that political party which seizes upon any expediency to further its ends. These organizations and their supporting press committed themselves to a policy of arousing the public to a campaign of 100 per cent alarm. They magnified the smaller affronts of the mayor beyond reasonable belief; they endorsed the candidacy of Assemblyman Dempster, who attempted to thrive on hullabaloo tactics and a record of 101 per cent on questions of public ownership. By this endorsement, the associations rejected as candidate ex-president of the city council, Assemblyman William G. Bonelli, whom they had unanimously endorsed three years earlier. All in all, the municipal defense associations bungled their real opportunity through failure to keep the issue single, reasonably tenable, free from alarmists' propaganda, free from too radical point of view. They had, however, a cause sufficient to recall. The real issue lay in the mayor's treatment of the city power plant.

Los Angeles has the largest, most successful, municipally owned power plant in the world. Since 1917, it has saved the rate payers of the city $49,000,000 in comparison with the rates charged by private companies in adjacent territory. In addition to this saving, by re-investment in the system of annual net profits, it has built up for the citizens an equity of $44,000,000 in a system whose total assets amount to $80,000,000. The $36,000,000 of bonds outstanding are being paid off by the department, both as to principal and interest, out of its net earnings.

The board, or commission, in charge of water and power is one of seventeen provided for in the city charter. Each is made up of five members, appointed for a five-year term, one term expiring each year. Appointments made by the mayor must be confirmed by the city council.

THE MAYOR AND THE WATER AND POWER COMMISSION

During the expired portion of his term of office, Mayor Porter, according to provisions of the charter, would normally have made only three appointments to the water and power commission, had circumstances permitted him to follow the charter in filling terms as they normally expired. Instead of three appointments, however, he has made nine which have been confirmed by the council, and a number which have been rejected. Some of these men have resigned, for one reason or another, and one was removed by the mayor.

Early in his incumbency, Mayor Porter, for reasons best known to himself, placed on the water and power board a majority of members who were very sympathetic with the private power companies. One of these members, it is asserted, so influenced a morning paper that it has since been the bitter enemy of the municipal power plant, criticising it in every possible manner, and advising the public to vote against power bonds. Naturally bonds were very essential to a plant which has expanded rapidly over the 449 square miles of the city of Los Angeles.

In appointing the uncoöperative members of the board, the mayor openly assumed a policy of aggressively hampering the city's power plant. At one time when he was approached by a friend of the municipal enterprise with the object of persuading him not to appoint to the board enemies of the city's plant, he told the citizen that he did not care if his appointees were friendly to the power companies, as his policy called for a balanced board. He further assumed the position that his personal wishes should constitute the policies of the board, an assumption directly contrary to the letter and spirit of the charter.

Shortly before the recall election, a vacancy had existed on the board for some months. As soon as it was found that the petitions contained sufficient signatures for the calling of an election, the mayor appointed a friend of municipal ownership to the vacancy, probably hoping to ingratiate himself with the public favorable to the enterprise. This gave control of the board, on the eve of election, to the friends of the power plant.

The recall election was confusion confounded. A month previously, as a result of the ready signing of the recall petition, it appeared that a majority wished for a change in mayors. As the campaign drew to a close, two candidates divided the opposition, and opinion crystallized in favor of the mayor retaining office for the remaining fifteen months of his term. Quite obviously, calmer minds did not accept all of the issues raised between the mayor and power commission; or they held that the city council, largely elected on platforms favoring public ownership, were under the charter able to protect the public property.

WHERE DOES THE MAYOR STAND?

Such proved to be the case in the aftermath. The day following the election, the mayor began to hear voices and see lights. Through the press he announced that he accepted the results of the election as the voice of God, and apparently looked upon himself as an ordained dictator, controlling all the actions of the commissions. For when an important question of administrative organization arose in the water and power board, he summarily removed two of the commissioners who refused to obey his commands.

The particular question involved was whether the department should continue to operate under a general manager, as it had been doing for about a year, or should return to the system of dual management, under which it had been very successful. The single manager plan, which subordinated the power department to the water department, though with separate financial accountings in each, had been put into effect in response to the mayor's demands at a time when the majority of the board were friendly to private power companies. This group claimed that the fiscal year ending June 30, 1931, had been the most successful in the history of the department, because the net profits of the power bureau increased by $119,000 over those of the previous year. As a matter of statistics, this profit was far below the increases established in previous years; for 1930 over 1929, had shown $597,000; while the increase of 1929 over 1928 was $565,000. The decrease in net profits in 1931 was largely due, it has been shown, to cessation of all advertising and other campaigns designed to increase business.

The majority of the present board believed that for the benefit of the city, and for efficient and economical management of the department, the dual system of control should be reëstablished and took action to that end. When the board failed to rescind its action in response to the personal demand of the mayor, two members of the commission were summarily removed. One of these was Dr. John R. Haynes, widely respected, wealthy patron of progressive legislation, father of the recall law in California, and defender of municipal ownership in Los Angeles. However, according to the charter, removals as well as appointments must be confirmed by the city council. The mayor sent the removals to the council, where they were referred to the water and power committee. This committee unanimously recommended that the two commissioners be retained in office, whereupon the council confirmed retainment by a vote of nine to six, in one case, and ten to five in the case of Dr. Haynes.

The mayor angrily gestured that he will campaign against ten members of the council when they come up for reelection. On second thought he proclaimed that the voice he heard was also that of the friends of public ownership, supporting his policies; hence, he will adopt their entire program. And to make good his word he immediately ordered the commission to proceed with all speed to the construction of a $12,000,000 stand-by steam plant at the Harbor. Looking to the sky he perceived a light, a light proclaiming reelection—though the outspoken friends of the power plant assert that it is only the reflection of the neon signs of the private power companies, obeisance to which would barter the municipal birthright.

Meantime Los Angeles, keenly alert, awaits the mayor's pot of message.

Portsmouth's Tax Installment Plan

INSTALLMENT buying applied to tax payments has several unique advantages

BY HAROLD I. BAUMES

League of Virginia Municipalities

WHILE municipal officials everywhere are perplexed by the problem of ever increasing tax delinquency and often are being continually harassed by the refusal of financial institutions to discount notes except at exorbitant rates of interest, it is encouraging to see that some cities have taken definite action to check the trouble at the source without appealing to the coöperation of any but the taxpayers themselves.

Portsmouth, Virginia, has apparently come to the very sane and logical conclusion that it is no longer necessary for cities to stand by and see their citizens pay for automobiles, radios, furniture and even clothes, on the installment plan weekly and monthly, and then at the end of the year find their suspicions confirmed that no money would be left in the pockets of many of these people to meet a large tax bill in one lump sum without borrowing. We pay for practically everything on the installment plan. Why not extend the practice to the payment of taxes where many of the objections to installment buying in general do not apply? For instance, there would be no inducement for a taxpayer to obligate himself to the city to any greater extent than he would otherwise for the tax bill is fixed on the basis of assessed valuation of property and there is no escaping it whatever method of payment may be followed. Moreover, by collecting taxes in small amounts weekly or monthly to suit the financial convenience of the taxpayer, not only will the people be relieved of a certain amount of apprehension concerning the payment of a large bill at the end of the year but tax delinquency will surely be reduced considerably.

Frank C. Hanrahan, city manager of Portsmouth, has devised a plan of tax deposits which has been approved by the council and has received hearty support from the press and the public. Taxes used to be collected November 1 in this city, and became delinquent December 1 with a penalty of five per cent, with interest added on such delinquency at the rate of six per cent beginning January 1. Since the tax-payment period is near the close of the year, the city has heretofore resorted to rather extensive short-term borrowing in order to finance its operations until November 1. This has been unusually costly during the past few years, and when large delinquencies in payments appear, further financing is necessary. To avoid the delinquency penalties numerous people have been forced to borrow from the bank at six per cent, thus incurring a penalty from another source for their inability to meet their tax bill in one lump sum.

Under the new plan the tax payment date technically will remain the same, but the opportunity is extended to all taxpayers to pay their real estate and personal property taxes in advance in weekly, semi-monthly, monthly or semi-annual installments, at their convenience, to the city collector who credits their tax bills accordingly. Deposits made in advance in this manner are receiving interest at the rate of six per cent, the interest accrued at the end of the year to be deducted from the amount still owed on the tax bill. The interest rate has been fixed by the council, and depositors are given tax deposit books similar to Christmas savings bank books. The plan is not mandatory in any way, but the reception accorded it is indicative of the fact that the public is grateful for a modern method of paying for municipal services.

FOURFOLD ADVANTAGES

The advantages of this plan appear to be fourfold.

First, the taxes paid in advance remove the city's necessity to borrow so extensively in anticipation of taxes.

Second, the burden of taxes on the individual is lightened because of the opportunity extended to pay the bill in installments which bear interest at a higher rate than could be secured from deposits in banks.

Third, tax delinquency will surely be reduced appreciably because of the incentive to remit throughout the year.

Fourth, there is a patriotic motive involved which possibly will not be recognized at first, namely an effective weapon against hoarding. Money deposited in the city treasury will in turn be deposited in banks to draw interest at usual rates and will be placed in use. Those who have been accustomed to saving money at home in anticipation of taxes instead of depositing in banks will contribute to financial recuperation. While the actual amount of money involved will be small, the principle is great.

The high rate of interest on tax deposits is made possible by the interest drawn from the bank on installment payments deposited by the city, by the removal of the necessity for such extensive borrowing in anticipation of tax collections on the part of the city, and by the anticipated decrease in tax delinquencies at the end of the year. Bankers approve the plan because it will draw money back into circulation and into bank deposits by way of the tax collector's office.

During the two weeks the plan has been in operation, advance tax installment payments total about $40,000. With the aid of the hearty support of the press, and the able leadership of municipal officials, success seems assured. The plan is being extensively advertised and the enlistment of the aid of the public schools in disseminating facts concerning it is reported. It has been estimated that if all real estate taxes were paid in advance in Portsmouth, refund in interest of about $28,000 would be possible which would be the equivalent of a tax reduction of approximately 8.5 cents per $100 of assessed values.

This experiment may well be the forerunner of a modern and practicable tax collection system which will eventually be placed in operation in every progressive municipality. Provisions of this plan, which now make it permissive only, may sometime make it mandatory after its success and practicability have been proven beyond any doubt. At any rate, Portsmouth's action is being watched carefully by fiscal officials. Will the "tax deposit plan" be the solution of our growing tax delinquency problem?

Baltimore's Municipal Department of Music

THE municipal government aids community music

BY FREDERICK R. HUBER

Municipal Director of Music, Baltimore

Too many Americans still regard music as a pastime for the intelligentsia; too many communities continue to consider the financing of this art as the sole concern of wealthy gentlemen who like to see their names cast in bronze. Such Americans will do little to advance the cause of music appreciation; such communities will continue laggards in the steadily expanding interest in this most democratic of the arts.

Baltimore, I am happy to say, is not such a community. For nearly a decade and a half, it has recognized a municipality's duty to its citizens where music is concerned; for a decade and a half, it has performed that duty through the excellent medium of a municipal department of music.

This department, so unique in bureaucratic activities of American municipalities, did not, however, give birth to several of the splendid musical groups that it now fosters. They are not the artistic children of the department; the department is a faithful guardian appointed by the municipal government to administer to phases of municipal music that it already had brought into being.

FIRST APPROPRIATION MADE DURING THE WAR

It was during the first year of the World War that the board of estimates definitely took a stand for the furtherance of municipal music in Baltimore and appropriated $8,000 for a city band. The following year, the appropriation was increased to $10,000, and community singing, supplemented by motion pictures of educational value, were added to the outdoor concert programs of the band. In 1916 great stimulus was given to the awakened interest in municipal music and civic pride was deeply stirred by a project to match the recently created municipal flag with a municipal anthem. A city-wide contest for a lyric was followed by a similar contest for a musical setting. Both contests carried an award of $250.

Baltimore was now music-minded. Summer band concerts, community singing, conducted in various parts of the city, the publicity accompanying the selection and the award for the municipal anthem, had combined to quicken the electorate's interest in music as an art.

It was in late October, 1915, that I became head of a committee to consider the project of a municipal symphony orchestra. The prospective personnel was assembled by Gustav Strube, a faculty member of the Peabody Conservatory of Music, who subsequently became the orchestra's first conductor. The city council appropriated $6,000 for the maintainance of the orchestra. I volunteered to serve in a managerial capacity without compensation. The first concert was given in February, 1916. Mabel Garrison, Baltimore soprano and former prima donna of the Metropolitan Opera House, was the first soloist. The concert was given before a capacity audience, and was unanimously acclaimed. It was an auspicious birth of a project that still flourishes, unchallenged and wholly unique among the symphonic groups in America.

A MUNICIPAL DEPARTMENT OF MUSIC

These municipal activities pertaining to music and music appreciation were all inaugurated during the administrations of James H. Preston as mayor of Baltimore, and could not have been created or developed without his sympathy, encouragement and zeal. These activities were all accomplished without the aid of a departmental head charged by the city government with their administration. The same chief executive, who is so largely responsible for their being, was the first to realize the advisability of placing them under the jurisdiction of a single department, guided by a director responsible to him for their proper administration. He, therefore, brought about the creation of the municipal department of music. I was officially appointed director of the new bureau on May 16, 1918.

This department, now completing its fourteenth year, administers all of the city's constantly expanding activities in the field of music. The Municipal Band, which, by means of an ingenious portable band-stand, is enabled to give a widely scattered series of concerts throughout the city during the summer months; the City Colored Band, which renders a similar service to the Afro-American communities of the city; the Baltimore Symphony Orchestra which gives a series of concerts for adults during the winter months, a series of rehearsal concerts in the city schools, and a series of concerts for young people during the same period of the year; the recently organized City Colored Chorus and the City Colored Orchestra which have greatly stimulated their race's interest in good music through their joint concerts given during the past winter in the auditorium of one of the city's modern Negro high schools, are all under the supervision of the municipal department of music.

It is of interest and importance to note that this department, like the art that it fosters, knows no political party. Since its inception three mayors have guided consecutively the affairs of the city. The department has known four mayoralty inaugurations, each one involving a party change in city administration. This has not affected nor impaired in any way the policy or conduct of this department. Mayor Preston, who fathered the department, was a Democrat; Mayor Broening, who succeeded him, was a Republican; Mayor Jackson, who is currently at the head of the city government, is of the party of former Mayor Preston. The municipal department of music remains the municipal department of music, each succeeding chief executive of the city consistently ignoring all attempts to toss it into the political arena as a departmental football to be kicked about by job-seeking partisans.

In conclusion, may I say that it is my belief that Baltimore has successfully aided community music because Baltimore has had the courage to make its municipal music, music of the people, for the people, by the people, and paid for out of the people's pocket-book.

Modern Government in a Colonial City

Williamsburg, restored to the pattern of 1776, adopts 1932 manager government

BY JAMES E. PATE

College of William and Mary

WILLIAMSBURG, the colonial capitol of Virginia, was created a city in 1722 by a charter from King George. For this reason it is still called the "City of Williamsburg" in all legal papers, although the state constitution designates places of less than 5,000 population as towns. No small city of America has been surveyed as closely by engineers of all sorts, by city planning experts, by distinguished archaeologists and by well-known architects. The most recent survey was made by the Institute of Public Administration under the direction of Luther Gulick. The report has been published as a volume under the attractive title of *Modern Government in a Colonial City*.

The report recommended a council-manager form of government. A modified form of managerial government was accordingly drawn up by the city attorney with the assistance of the League of Virginia Municipalities. On Monday evening, February 29, a mass meeting of 300 citizens met in the city hall to discuss the new charter at that time pending before the legislature. The assemblage voted first to make every person who had enough interest to come to the meeting eligible to vote on the charter. The citizen body then voted to accept the charter as presented without submitting it to a vote of the people. In other words the mass meeting, like a Virginia constitutional convention, proclaimed the charter. It was indeed an interesting example of the people acting in their sovereign capacity.

It may seem incongruous to give a city, that the Restoration with such meticulous care is restoring to the pattern of 1776, a form of government which is the product of the twentieth century. A suitable compromise is made, however, in retaining the office of mayor. This official, freed of the details of government, will have leisure to receive with becoming dignity, probably in powdered wig and knee breeches, if Mayor Coleman is faithful to the colonial atmosphere, the large number of visitors that are now coming to these historic places which are so closely associated with the origin of the Republic.

THE COUNCIL AND MANAGER

The city charter very properly describes the council as "a body political and corporate, by the name of the City of Williamsburg." Consistent with orthodox city managership, the council is empowered to employ a manager for an indefinite term, but removable at the council's pleasure. In selecting a person with suitable "executive and administrative" qualifications, the council may, if necessary, go outside the city or the state. The section which provides that the city council may make rules and regulations, and prescribe the duties of the employees of the fire department may be questioned as conforming to orthodox city managership. The manager is allowed to prescribe the uniforms and regulations for the city police, subject to the approval of the council.

The city manager is given the usual managerial duties of preparing the annual budget, of keeping the council informed as to financial conditions, and of recommending for the council's consideration such things concerning the city's affairs as he believes desirable.

It is the duty of the manager to act as chief conservator of the peace, but the city sergeant, designated by the new charter as chief of police, is elected by the people. It is the duty of the manager to supervise the administration of the city's affairs, but he cannot supervise properly the fiscal affairs of the city, because the commissioner of the revenue and the treasurer are elected by the people. In fact the supervision of these two fiscal officers seems to be regarded as a state function. The clerk of the circuit court, who also keeps the records for the city council and the county board of supervisors, is likewise elected by the people. The municipal personnel left under the manager's direction is therefore ridiculously small. At first the charter gave him the power to remove his appointees without any restrictions. But it was a happy thought of the local bar association to amend this by subjecting every removal to the council's review.

The separation of politics from administration has been regarded as one of the fine and fundamental principles of the city manager government. Some cities that desire to adhere strictly to the spirit of the plan take particular pains that politics shall not interfere with administration. A modification of the strictly managerial type of government may, however, be entirely justified in a small city or town where governmental problems are not so complex that the council cannot become reasonably acquainted with every administrative detail. But the student of government is at times taxed in classifying and finding the proper nomenclature for the variations that occur in political institutions. The Virginia Commission on County Government very happily, I believe, uses the term county executive to describe an executive controlled by the county board of supervisors, and reserves the term county manager for the strictly managerial system.[1]

A COLONIAL REGION?

Williamsburg and James City County will continue under the new charter to elect jointly a treasurer, a sheriff, an attorney for the Commonwealth, and a clerk of the circuit court. This *modus vivendi* is highly desirable and commendable. The Institute of Public Administration, with the cordial support of the state departments of health and public welfare, suggested that the city of Williamsburg, and the counties of James City, York, Charles City, and New Kent might consolidate their health and welfare functions. This plan of consolidation of functions is eminently practicable. It has been tried out successfully in Virginia in regard to care of paupers.

It is not entirely chimerical to believe that the consolidation of all governmental functions in the counties named, with Williamsburg as the seat of this colonial region, would rehabilitate the local government to such an extent that it would be able to look after its local affairs efficiently and economically.

If such a consolidation of functions were made, the historic counties would still exist by name for the purpose of electing representatives to the regional board; or according to the recommendation of the Institute, each county might maintain its board of welfare, the chairman of the several boards acting for common purposes. A region composed of James City, Charles City, New Kent, and York Counties would have an area of six hundred seventy-nine square miles, and a population of only 20,215 people. The total value of all property assessed for purpose of local taxation in these four counties is $9,664,000. The total amount of receipts from these counties for the year 1930 was less than one-half million dollars. In other words the total area, population, and wealth of the region would not be above that of the average single county.

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[1] Report of Commission on County Government, Richmond, 1931, pp. 18 and 19.

Two important provisions of the new charter, particularly in view of the restoration work, are those on city planning and zoning. A commission appointed by the city council acts as both a city planning and zoning commission. The power of the city to plan and to zone is extended one and one-half miles beyond the corporate limits. A provision for appeal is made in the charter for persons aggrieved at any zoning ordinance or its application by the commission.

TAXES AND FINANCE

The state constitution provides that property shall be assessed at fair market value for the purpose of taxation. But the practice is contrary to this. In Williamsburg property is assessed at 32 per cent of its market value. The Institute of Public Administration points out that the assessed value of property must be increased to 66 per cent of its market value in order to make the borrowing power of the city sufficient to finance needed improvements.

Virginia's experience with the executive type of budget, adopted by the state government in 1918, on the whole has been so satisfactory that a law was passed by the general assembly in 1926 requiring all counties and cities of the Commonwealth to prepare budgets. But the small towns and counties have been decidedly handicapped because of the poor bookkeeping and accounting methods. Bookkeeping in the local units of government is unduly complicated by the numerous special tax levies which require the keeping of separate accounts. The state auditor has found as many as sixty-four separate funds in a single county. A close and effective audit by the state, however, is correcting many bad fiscal practices in the local governmental units. A recent survey by one of the members of the state auditor's staff shows that budgetary practice and the status of the sinking fund of the city of Williamsburg is in a more satisfactory condition than it was over a year ago, when the Institute of Public Administration made its survey.

PUBLIC IMPROVEMENTS

A thorough survey was made of the needs of the city in regard to paving, cleaning and lighting of streets, sewage and waste disposal, water supply, and fire protection. Recommendations were made in each instance by the Institute as to the method of financing the improvement.

At present Williamsburg gets its water supply from deep wells. The Institute pointed out that a more palatable and less injurious source of water might be obtained by tapping nearby streams at a cost of $410,000. It was suggested that the college, the city, and the local hospital should coöperate in this undertaking.

This brief analysis of the government, finances, and engineering problems of Williamsburg has not, of course, included a description of the remarkable work that is being done to restore the city to its attractive colonial appearance.

Reproduction Cost and Falling Price Levels

FALLING prices do not strengthen the validity of the reproduction cost concept of fair value

BY GEORGE E. GOLDTHWAITE *New York City*

THE rate-making power of public utility commissions, legislatures and other governing bodies has for more than a generation past been limited by a ruling of the United States Supreme Court that a rate (for electricity, gas, telephone, water supply or transportation) imposed by a regulatory authority, which does not yield a fair return on the "fair value" of a privately owned utility plant, will be held confiscatory and in violation of the 14th amendment to the Constitution. Although no positive rule for determining "fair value" has been laid down by the court, it has in various decisions given reproduction cost a good deal of weight, along with original cost and other factors. In recent years courts have seemed to give preponderant weight to reproduction cost less depreciation, using that measure almost exclusively in certain cases, with emphasis on the statement that it is the *present* value of the property that is to be determined. These decisions have held out to companies the possibilities of enormous profits, because after the great rise in prices during and since the War, the reproduction cost of almost any utility property could be established at a figure enormously in excess of the actual original cost. This was due to the large amount of property surviving from pre-war years, which had been installed at approximately half or less of the post-war cost of reproduction.

REPRODUCTION COST AND PRESENT PRICE LEVELS

Now, however, the situation has changed. Practically all public utility companies have (except possibly street railways) installed large amounts of plant at the very high costs prevailing since the War. During the past two years construction costs have declined greatly following the recent general drop in price levels. It is apparent, therefore, that the reproduction cost today of property installed at the high post-war prices would be a great deal less than its actual cost, and it appears possible that the tremendous profit-making advantage which the court rulings gave to utility companies may now be turned against them to their loss, possibly to their ruin. There is no attempt here to discuss the merits of the reproduction cost theory of rate-making, but only to comment on the possibilities of its application at present price levels.

In order to forestall disappointment with what follows, I state now that this paper will not disclose the precise result of applying reproduction cost today as compared with earlier years. I have not made an extensive research; furthermore I believe that there is as yet

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very little satisfactory data on actual construction cost since the recent large declines. I shall use only published figures readily available to all, describe their limitations and qualifications, and perhaps draw certain tentative conclusions.

A reproduction cost estimate, as usually and I think most stupidly made, purports to show the cost of constructing at present-day prices a plant substantially identical with the existing one in all details. The company's expert deducts from this, if anything, only the observable physical deterioration; the one on the public side attempts, sometimes, to bring this reproduction cost down to a reasonable value by a large depreciation deduction. I think, however, that the starting point is wrong, and that exact reproduction should never be computed except for such plant as would be reproduced today to fulfill today's requirements. This view in many cases would substantially affect reproduction cost estimates and should be kept in mind when discussing the effect on reproduction cost of price levels.

With this warning I will introduce some figures. The wholesale price index number of the United States bureau of labor statistics, if based on 100 as the 1913 average, rose to about 240 in 1920, but dropped quickly to an average level of about 142 in the years 1923-1929 inclusive and dropped to 95 in February of this year, approximately its present level. This represents a drop of 33 per cent from the post-war plateau price. The average level of wholesale commodity prices as expressed by this index number is quite distinctly below the pre-war level of 1913; furthermore it is, or was in February, still declining.

Perhaps at this point I should explain the chronological periods I am using in making cost and price comparisons. I have used 1913 to express the pre-war level, although of course the curves were not all level in 1913 by any means. I believe it is reasonable to use it because on the whole there had been no large general price changes for some years past, and there appeared at that time to be no distinct trend upward or downward, except the general upward trend apparent if figures were carried forward from 10 or 20 years previously. For the so-called post-war plateau of prices I have used the average of years 1923 to 1929 inclusive, thereby avoiding the violent changes in the immediate post-war period, and avoiding also the decline that began in the latter part of 1929. For present day prices I have used either February or March of this year (1932). When I refer to present prices, it should be understood that I speak of February or March as I have not attempted to bring my figures entirely up to date.

UNSATISFACTORY INDEX NUMBERS

The United States wholesale price index number is of course not an index of construction costs and cannot be taken even as an approximation thereof because, first, it leaves out the very important element of construction labor and, second, because while it includes construction materials, they are far outweighed by other commodities that have little or no importance in utility construction work.

The United States wholesale price index has been used and recommended as one of the best general expressions for the value of the dollar. As such it might be of importance in figuring the return to which owners of a property are entitled on the general theory that the owners are entitled to more compensation in dollars when the value of the dollar drops below what it was when they made their investment, and vice versa. This is a plausible theory, but it has nothing to do with reproduction cost and I will not discuss it here.

The construction cost index number

computed and published monthly by the *Engineering News-Record* attempts to supply the two outstanding elements mentioned above that are lacking in the wholesale price index number. This index is constructed so as to represent at any time the average cost of cement, structural steel, lumber and construction labor, relative to their cost in 1913, the latter being taken as 100. The items are weighted so as to express, in the judgment of those who are responsible for the number, a reasonable approximation of the average use of these elements in general engineering construction work.

According to the *Engineering News-Record* index, which is based on 100 as the 1913 average, construction cost rose to a maximum of 274 in June, 1920, but declined to an average level for the post-war plateau period somewhat above 200, and has dropped to about 160 at present, or 23 per cent below the post-war plateau. Two outstanding differences between the construction cost and commodity price index numbers will be noted. The first is that the post-war plateau level of construction costs was nearly 50 per cent higher than that of wholesale prices. This fact is familiar to many of you who have attempted to check or compare reproduction cost estimates by applying wholesale price index numbers to actual costs over a period beginning before the War. The wholesale price index number method of course gives a much lower result than the reproduction cost estimate. The second outstanding difference is that the drop since 1929 in the construction cost index is only 23 per cent as against a 33 per cent drop for wholesale prices, and the construction cost index has shown a marked drop only in recent months, though wholesale prices started steeply downward in August, 1929. These comparisons are subject to some qualifications which I will describe later and I believe that the real drop in construction costs is much more than 23 per cent, although I cannot say how much.

TREMENDOUS VARIATIONS

It may be interesting to consider prices of a number of raw materials entering largely into utility construction, especially as they show such tremendous variations. Copper at a present price of about 6 cents has dropped 58 per cent from the post-war plateau level, and even there it was distinctly below the 1913 price of copper. It would be difficult to say, however, what the real pre-war or post-war average price of copper really is, as it has been subject to most violent and extreme flucuations as far back as I can find any record, and apparently has never stabilized itself even for a short period at a price which is reasonable compared with the cost of mining, smelting and refining. It is interesting to note that although it is one of the most important raw material items in the electrical industry, the post-war cost of electrical machinery has been quite high and has apparently been little affected by the comparatively low price of copper. It does, however, have a large bearing on the cost of the electrical distribution systems in congested areas, where copper cable is the principal item.

The present price of lead at 3.75 cents shows a 51 per cent drop from the post-war plateau level, and is at present below the 1913 average price. The present price of structural steel beams in Pittsburgh, not including any fabrication, is exactly the same as the 1913 price, and reflects a 26 per cent drop from the post-war plateau. Steel has been comparatively cheap since the War and did not take a very large drop in order to reach the pre-war level. Of course, when you add freight and fabrication costs, the post-war price is relatively much higher and the present drop in price for steel work installed is, I suppose, considerably less than that expressed for steel shapes at the mill. Cast iron pipe at $28.20 in New York City has dropped 42 per cent from the post-war plateau, and is at present only only about 20 per cent higher than the 1913 price. This is an item of greatest interest to gas and water utilities, and it is extremely interesting to observe the present low price in view of the fact that the post-war plateau price of this product was more than 100 per cent above the 1913 level and showed practically no indication that it ever would again drop. Common brick in New York City has dropped about 35 per cent from the post-war plateau, but still is about 80 per cent above the pre-war level. This is one of the items that has as yet shown little indication of returning to pre-war levels, but it should be remembered that relatively less brick is used today in engineering construction than formerly and there are prospects of new materials which may still further replace its former use. Portland cement has dropped 21 per cent from the post-war plateau and is still considerably above the 1913 level.

LABOR FLUCTUATIONS

It is in labor, however, that the greatest of fluctuations have occurred, and it is in labor where the least satisfactory data are available for constructing index numbers. For instance, according to the *Engineering News-Record,* which purports to show actual rates rather than the ineffective and misleading quoted rates, common labor in New York during the post-war plateau was 80 cents per hour as compared with 22½ cents before the War, a ratio of 3½ to one; at present it has dropped about 19 per cent to 65 cents an hour. In Chicago, however, the post-war plateau rate of 85 cents was only a little more than twice the pre-war rate of 40 cents. The decline there since the post-war plateau has been about 25 per cent. This means that if you constructed an index number based on New York labor, your relationship to 1913 would be far wrong if you attempted to apply it to Chicago. Furthermore, the fluctuations in skilled labor and common labor are widely divergent. The rate for structural iron-workers in New York today is given as $1.92, which is 24 per cent greater than the post-war plateau, and the present rate is more than three times the pre-war rate. It appears that you can get any desired result in labor index numbers by simply picking your figures from various geographical areas and various kinds of labor.

WEAKNESSES OF INDEX NUMBERS

There are at least three great faults to be found with the use of index numbers to figure construction costs. The first one is that as usually constructed they make no allowance for changes in the efficiency of labor; second, they make no allowance for changes in the amount of labor used on the job resulting from increased use of machinery to replace labor; and third, they give little or no regard to the change in the kind of plant that would be constructed today compared with the kind of a plant that was actually constructed many years ago and to which the index numbers are expected to apply.

For instance, I will mention an electric generating plant in Chicago in which I worked a short while in 1911. This plant was, at the time it was built in 1910, a tremendously large and ultramodern plant, containing a dozen or so vertical turbo generators of 14,000 kw. capacity each, with the usual large batteries of comparatively small boilers and reciprocating engine-driven auxiliaries. I do not know whether the identical machines or even that particular plant is there at present, but I do know of some parallel instances which would excuse its use as an illustration. If you would apply an index number to the actual cost of that plant you would perhaps obtain the present day cost of constructing that identical plant, assuming that the construction force would go through identically the same motions in the same length of time as they did in 1910. Such a reproduction cost would without doubt be greatly in excess of the actual cost in 1910 of constructing that plant.

However, many things have happened in the past twenty years to make that method and that result absurd. In the first place, even though a substantially identical plant were to be constructed today, more machinery and correspondingly less labor would be used in its construction, and the cost would thus be reduced. The principal advantage of using construction machinery and the impetus behind its great development in recent years is to avoid the excessive labor costs that would result from the use of old methods with the present high cost of labor. In the second place, there is little doubt that at present the efficiency of the labor would be distinctly different than in 1910. This is a factor that should not be ignored. Labor is almost always found to accomplish more per man-hour in times of depression and unemployment than in more prosperous times.

But the third and greatest difference arises from the fact that no such plant would be constructed today as was built in 1910. The cost of building an identical machine today may be twice as much as it was in 1910, but no such machine would ever be constructed. Instead of units of 14,000 kw. each, units ten times that size would be installed to fulfill present day requirements in the same location, and the cost of these per unit of capacity would be much less than the pre-war cost per unit, due simply to the tremendously greater size of the units and the higher speed at which they would operate, both of which act to reduce the unit cost. Large individual boilers would be used, instead of the multiple batteries of small boilers, and furnaces would be installed to obtain twice or more steam output per unit of heating surface. All this means today a much smaller boiler plant for the same output. Moreover, the actual amount of steam required for the same electrical output is a great deal less today than in 1910; consequently even if you used the same boilers as in 1910, you would not need so many boilers. Practically no reciprocating auxiliaries would be used; instead there would be the far more compact and economical electric and turbo units. The amount of building required per unit of capacity would be reduced to a fraction of the former amount due to the increase in the size of units and the resulting greater compactness. This fact has been illustrated again and again, where old turbo generators have been removed and new ones several times as large have been installed in the same space. The final result would be a plant which, expressed in capital cost per kw. of capacity, would cost a great deal less than the actual cost of the plant built in 1910, although according to all price level studies the reproduction cost of the old plant would be a great deal more.

TODAY'S PLANT MORE EFFICIENT

But this is not the whole story. The plant built today would be enormously more efficient and therefore of far greater real value than the 1910 plant, so much so that the 1910 plant (unless greatly modernized in the meanwhile) would be practically worthless from an operating standpoint; that is, even if the 1910 plant were today as good as it was when it was new, you could probably afford to discard it entirely and build a modern plant on the basis of the capitalized savings in operating expenses. While this last point is not directly related to a price level discussion, it illustrates the crowning absurdity of a valuation method which attempts to take account of nothing except the changes in labor and material costs without recognizing that the same materials would not be used.

My reference to a particular plant should not be taken as an unfavorable reflection on that plant. I do not know that an appraisal of the plant I referred to was ever made; therefore I use it as an imaginative example just to avoid sour reflections on specific companies that I have investigated, where the reproduction cost method has been carried to the height, or depth, of absurdity.

The general idea just developed would apply to many other classes of utility property, not only to the individual units, but to a utility system as a whole; although the electric generating plant is perhaps the most easily understood example. And although my illustration was of a plant built in 1910, the comment would be applicable to plant built in any year between then and now, the result differing only in degree, for invention and development have been continuous, and so have changes in public requirements, all resulting in inadequacy and obsolescence of old plant.

There has been much criticism and disparagement by utility advocates of what has been called the "substitute plant theory," and some of the criticism has been embodied in court decisions. I believe the criticisms are unsound. Reproduction cost as a measure of value of existing plant cannot be logically justified except to the extent that existing plant would be reproduced to furnish today's requirements. Wherever today's requirements could be satisfactorily met with new plant costing less than the reproduction of old, there is nothing except a stupid reliance on court precedent that justifies use of the higher figure.

PRESENT PRICES AND THE RATE BASE

I have made an interesting calculation to indicate the possible effect of present prices on a rate base. Assume a utility plant having a net growth in dollars of 5 per cent each year, beginning before the War. The reproduction cost of this plant at the present date, obtained by the index method, using the *Engineering News-Record* construction cost index number, would be approximately the same as or perhaps somewhat less than actual cost. (The exact effect depends also on the rate of retirements.)

Now if the reproduction *value* be obtained by deducting depreciation, it is apparent that the pre-war plant would have a far greater deduction for depreciation than the post-war plant. Depreciation, however, would eliminate most of the pre-war plant, and as a result the reproduction cost less depreciation by the index number method would beyond doubt give a substantially lower total value than book cost less a straight line depreciation reserve.

If reproduction costs were further adjusted in accordance with criticisms heretofore made; that is, if a modern plant were assumed to replace the old one, built by modern methods, the result would be to push the present value even further below the book value.

The above statement applies to a plant having the very modest average net growth of 5 per cent annually. With a past record of 6 per cent or greater annual growth it seems quite probable that present value, based entirely on present day costs and present day materials, would give a rate base so low that its enforcement would bankrupt a conservatively financed public utility company. And if the company had no adequate depreciation reserve, but only a retirement reserve, its plight would indeed be hopeless.

There are several factors that will act to prevent such an outcome, however. One is that the present cost level is a thing of the moment. Companies will argue vigorously against applying present-day costs when there is no proof that costs will remain at their present level for a considerable future period. The argument is always available that reproduction cost is only one measure of value, and that the Supreme Court has never ruled as to the weight that must be given it. There is also the large margin of controversial costs and values always present in valuation cases. Overhead costs can be argued for far in excess of actual capitalized costs, as they have been in the past. Going value is sufficiently elastic to fill almost any void if the commission or court can be persuaded to use it. The arguments against rational methods of measuring depreciation, or against any depreciation deduction whatever, will be pushed more strenuously than ever. And the rate of return offers just as effective and much less obtrusive means than valuation of arguing for higher rates. An eight per cent return on a utility property that could have been financed at an average rate of six per cent gives the equivalent of a 33 1-3 per cent inflation in the rate base.

What Municipal Home Rule Means Today

VII. Texas After Twenty Years

WHAT the cities may do and what they may not do still needs clarification

BY FRANK M. STEWART *University of Texas*

The Texas Constitution of 1876 provided that cities and towns with a population of ten thousand inhabitants or less should be chartered by general law, and cities with more than ten thousand inhabitants should have their charters granted or amended by special act of the legislature. In accordance with an amendment adopted in 1909 cities of five thousand inhabitants might obtain charters through special acts of the legislature.

HOME RULE AMENDMENT

Dissatisfaction of cities with the methods of charter making established by these constitutional provisions led to the submission by the legislature, in 1911, of a home rule amendment, which was approved by popular vote on November 5, 1912. Article XI, section 5, which has never been amended, reads:

> Cities having more than five thousand (5000) inhabitants may, by a majority vote of the qualified voters of said city, at an election held for that purpose, adopt or amend their charters, subject to such limitations as may be prescribed by the legislature, and providing that no charter or any ordinance passed under said charter shall contain any provision inconsistent with the constitution of the state or of the general laws enacted by the legislature of this state; said cities may levy, assess, and collect such taxes as may be authorized by law or by their charters; but no tax for any purpose shall ever be lawful for any one year which shall exceed two and one-half per cent of the taxable property of such city, and no debt shall ever be created by any city unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating a sinking fund of at least two per cent thereon; and provided further, that no city charter shall be altered, amended, or repealed oftener than every two years.

The home rule amendment has been criticized by academic writers and journalists, for its ambiguity, limitations, and incompleteness.[1] McBain thought the constitutional amendment itself "by no means unambiguous." James commented on the brevity of the amendment, resulting in obscurity and uncertainty, and stated that "there is scarcely a line of it that does not contain the germ of a constitutional controversy." Specifically, he pointed out that the amendment does not indicate how the population of a city is to be determined for home rule purposes, and that the legislature has not provided a method. The meaning of a number of phrases in the amendment is not clear and unambiguous, e.g., "a majority vote of the qualified voters of said city," "at an election held for that purpose," and "or by their charters." The provision that "no charter or any ordinance passed under said charter shall contain any provision inconsistent with the constitution of the state or of the general laws enacted by the legislature of this state" leaves the measure of local self-government enjoyed by cities dependent on legislative good will and generosity. The last sentence of the amendment prohibiting changes oftener than every two years is unduly restrictive.

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[1] H. L. McBain, *The Law and the Practice of Municipal Home Rule,* 649-655 (1916); H. G. James, "Home Rule in Texas," *Texas Municipalities,* V, 67-76 (1918); A. A. Long, "Home Rule in Texas," *Texas Municipalities,* VI, 10-19 (1919); E. R. Cockrell, "Municipal Home Rule with Special Reference to the State of Texas," *Southwestern Political Science Quarterly,* I, 147-154 (1920); Tom Finty, Jr., "Constitutional Handicaps of Texas Cities," *Texas Municipalities,* IX, 21-25 (1922).

A. A. Long noted that the constitution is silent on the procedure for initiating the home rule machinery and that no direct provision is made for a state authority to pass upon the subject matter or legality of a home rule charter. The amendment leaves unsettled the question whether cities which have invoked the home rule act are deprived of the right of seeking legislation otherwise than by the procedure outlined in the home rule plan. Finty complained of the handicaps imposed on home rule cities by the tax limitation of the amendment, and referred to it as the "Home Ruin" amendment.

A survey of the operation of municipal home rule, as conditioned by legislative practice and judicial interpretation, will indicate the extent and meaning of the system today.[2]

ENABLING ACT

At the first legislative session following the adoption of the 1911 amendment, an enabling act was passed. This statute which covers almost ten pages of the session laws reproduces in section one the text of the constitutional amendment and then outlines the procedure for framing charters and adoption of amendments. A lengthy enumeration of powers of cities is prefaced by the statement: "That by the provisions of this act, it is contemplated to bestow upon any city adopting the charter or amendment hereunder the full power of local self-government." After listing "for greater certainty" many powers which cities may exercise the statute concludes with this declaration: "The enumeration of powers hereinabove made shall never be construed to preclude, by implication or otherwise, any such city from exercising the powers incident to the enjoyment of local self-government, provided, that such powers shall not be inhibited by the Constitution of the State." It is further provided that "All powers heretofore granted any city by general law or special charter are hereby preserved to each of said cities, respectively, and the power so conferred upon such cities, either by special or general law, is hereby granted to such cities when embraced in and made a part of the charter adopted by such city, and provided, that, until the charter of such city as the same now exists is amended and adopted, it shall be and remain in full force and effect." Thus, it is purely optional with each city to adopt a home rule charter or amendment.

An examination of legislation since 1913 will reveal, as McBain suggested, whether the legislature has made "the principle of home rule a vital and comprehensive reality" or transformed it "into a hollow mockery."

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[2] In the preparation of this article I have had the use of a master's thesis at the University of Texas on "Municipal Home Rule in Texas," prepared by Miss Mary Evelyn Winfrey, of Houston.

CHARTER ACTIVITY AND VALIDATION

Texas cities have almost unanimously elected to accept home rule privileges. Of 83 cities over 5,000 population according to the 1930 census, all but eleven have adopted charters or amendments under home rule provisions. Thirteen cities that the census of 1930 records as having less than 5,000 population have filed home rule charters or amendments with the secretary of state. The city manager form of government is found in 43 cities; the commission form in 24; and 18 operate under the mayor-council plan.[3]

Twenty-four cities accepted the home rule amendment as self-executing and proceeded immediately to adopt charters or amendments before the passage of enabling legislation in 1913. These premature proceedings were validated by general law in 1915.

A similar statute was enacted in 1917. A law of 1918 validated the charters of those cities whose population had been ascertained as five thousand "according to an official census taken under the direction and supervision of the city council." Special laws in 1919 and 1920 validated the charters and acts of incorporation of three cities, specifically named. General acts validating all charter amendments and all proceedings had with reference thereto or held under such charters and amendments were enacted by the legislature in 1919, 1920, 1921, 1925, and 1929. The last act included in the validation "all bonds issued under any amendment where the bonds have been approved by the attorney-general and registered with the comptroller." In 1930 "all elections, election orders, election proceedings, and city ordinances annexing adjacent territory to, or extending and prescribing the corporate limits" of any city which had adopted a charter under the home rule amendment and enabling act, "but which city did not in fact have a population of five thousand according to the 1920 federal census," were validated.

This practice indicates that many cities are doubtful about the legality of their methods of acquiring home rule status. To avoid litigation city attorneys appeal to the legislature for confirmation, which is usually granted. That such validation has little significance is indicated by the decision of one of the courts of civil appeals holding void an ordinance violative of a general law of the state which had been passed under a charter provision validated by the legislature.[4]

SPECIAL LEGISLATION

Adoption of the home rule amendment and enabling act did not immediately stop the legislative practice of granting charters and amendments to cities which did not choose to exercise their home rule powers. The same legislature which passed the enabling act, 1913, amended by special acts the charters of three cities. Special laws affecting the incorporation and charters of seven cities were enacted from 1915 to 1920. A complete charter was granted to a West Texas city in 1917. This act was declared unconstitutional by the Court of Civil Appeals of Amarillo, in December, 1919, the court holding that it violated the home rule amendment to the constitution, in that it deprived the inhabitants of the right to adopt or amend their charter by a majority vote of the qualified electors. The legislature had no power to pass such an act since "By the amendment the power theretofore granted the legislature to pass local laws incorporating cities was withdrawn, and the power was vested in the voters of such cities to adopt and amend their charters."[5] This decision, which was affirmed by the Supreme Court in 1921, ended the practice of granting charters and amendments to home rule cities by special laws.[6]

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[3] The records of the secretary of state are probably incomplete. No penalty is provided for failure to file charters or amendments.

[4] City of Lubbock v. Magnolia Petroleum Co., 291 S. W. 660 (Civ. App. 1927).

GENERAL LAWS

The home rule amendment permitted the legislature to pass general laws affecting cities. A review of such legislation affecting municipal finances, utilities, safety, welfare, and the police power, will indicate the nature of this regulation.

Cities may levy and collect an annual poll tax, not to exceed one dollar, of every inhabitant between twenty-one and sixty years of age; may invest sinking funds in bonds of the United States, war savings certificates, treasury certificates, and other securities; no city bonds shall ever be held invalid because signers of bonds were not in office at time of delivery to purchaser; and all incorporated cities, towns, and villages must operate under a budget system.

No state regulation of all local utilities exists, but appeal may be taken to the railroad commission from any order of a city reducing the rates of natural gas utilities. Consumers of electric power or natural or artificial gas furnished by private companies have the right to demand the reading and testing of meters by city employees. Cities owning their own waterworks systems have the power to condemn private property inside or outside the city limits for the purpose of bringing water for the use of the public. A city may acquire land, within or without the corporate limits, not to exceed 640 acres, for airport purposes. To maintain and operate the same it may levy and collect a special tax not to exceed for any one year five cents on each $100 valuation.

Fire escapes must be installed on certain buildings in cities, and city fire chiefs or marshals are directed to assist in the enforcement of the act. Fire hose couplings and fire hydrant hose outlets must be uniform in all cities having public fire protection.

A tax not to exceed five cents on each $100 of assessed valuation may be levied by any city council for the purchase and improvement of lands for use as parks, provided that the number of parks shall not exceed two for each two thousand inhabitants. If more than one park is established, they must be located in widely separated portions of the city. A tax not to exceed five cents on the $100 of assessed valuation may be levied for maintenance.

The legislative body of cities may pass zoning regulations; provide for the segregation of the white and negro races; and condemn property for highway purposes. No city may require registration fees of the owners of motor vehicles, or motorcycles, but they may regulate the use of motor vehicles for hire within their limits. The rate of speed of motor vehicles within the limits of an incorporated city shall not exceed twenty miles per hour. A law of 1927, amended in 1929, required that city traffic officers, when making arrests for speeding, must be mounted on a motorcycle and be wearing a diamond shaped badge and a uniform, consisting of a cap, coat, and trousers of dark grey or blue color. Objections of local officials secured an amendment in 1930 exempting cities with a population of less than 10,000 from the provisions relating to motor equipment and uniform. The law was held unconstitutional by the Court of Criminal Appeals in 1931, though not on the basis of home rule.[7]

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[5] State v. Vincent, 217 S. W. 402 (Civ. App. 1919).

[6] 235 S. W. 1084 (Comm. App. 1921); see also Ex Parte Norton, 21 S. W. 2d. 663 (Crim. App. 1929), and King v. State, 289 S. W. 69 (Crim. App. 1926).

[7] Scoggin v. State, 38 S. W. 2d. 592 (Crim. App. 1931).

A year after the adoption of the home rule amendment the cities organized the League of Texas Municipalities. One of its purposes is to prevent encroachments on the home rule rights of cities. Within recent years the League has successfully opposed certain bills for state regulation of local utilities, a bill to declare local ice plants public utilities, and other measures considered objectionable by the cities. On the whole, interference in municipal affairs, through general laws, while objectionable in principle, has not been unduly restrictive nor produced any violent revolt on the part of home rule cities.

CLASSIFICATION OF CITIES

As McBain foresaw, the legislature has resorted to the practice of classification of cities. Some of this legislation has been regulatory, but the major part of it has had for its purpose the conferring of additional powers upon cities of a certain class. The most common basis of classification has been population, but the type of charter and location with reference to waterways and the boundaries of the state have also been used. A few examples will illustrate.

In cities containing 25,000 inhabitants or more, and maintaining paid fire departments, no fireman shall be required to be on duty for more than six days in any one week, except in cases of emergency. Firemen in cities of 30,000 inhabitants or more shall be allowed 15 days vacation in each year, with pay, not more than fourteen men to be on vacation at the same time. In all cities and towns, incorporated by general or special laws, or under any other law or provision of the constitution, having a population of 50,000 or more, no member of the local police department shall be required to serve on actual duty longer than eight hours in every twenty-four hour day, except in cases of emergency. An act of 1919 created a firemen, policemen, and fire alarm operators' pension fund in all cities over 10,000 population and provided for its administration.

Other legislation has conferred powers on cities of a certain class with reference to extension of city limits, consolidation of adjoining cities, platting of surrounding territory, construction of artificial lighting systems, safety zones, plumbers' licenses and leasing of city lands for oil or other minerals.

Enactment of laws affecting only one city, under the form of a classified statute, has increased rapidly within the last few years. All cities of 100,000 population or more, situated along or upon navigable streams, and owning or operating municipal docks, wharves, or warehouses, may provide by ordinance for the appointment of pilot boards and have exclusive jurisdiction over the pilotage of boats between the Gulf of Mexico and their respective ports. This act applied to Houston, the only city in that location and population group. Any city of over 43,000 population, located in a county of less than 100,000 "to which the State of Texas or Republic of Texas shall heretofore have granted any island, flat, or other submerged lands" is granted authority to lease them under certain conditions. Galveston alone met these specifications. Special laws for Dallas and San Antonio have also been passed under the form of classification.

Recent laws have applied to cities located in counties with a population between 7,500 and 7,750; and between 14,588 and 14,800. Another act affected any city between 11,000 and 11,500 population located in counties situated on a boundary of the state of Texas.

A statute of 1930 sought to confer certain powers upon cities having not less than 106,000 and not more than 110,000 inhabitants according to the census of 1920. Fort Worth was the only city that could ever meet these population requirements. The law was declared unconstitutional in 1931. The court did not hold invalid the general practice of classification, but it did object to the method of classification used in the law. A law so drawn that it can be made to apply to but one city in the state and never to any other city, is as much a special law as if the name of the city has been written into the act.[8]

Practically all of these classified laws are enacted at the instance of municpal officers. Several reasons are given for resort to legislative enactment instead of charter amendment. It is frequently done to circumvent local opposition; it costs less than a local election, and gets around the limitation that charters may not be changed oftener than every two years. It also satisfies any doubt as to the authority of local officials to act.

JUDICIAL CONSTRUCTION

In view of the usual policy of strict construction applied to municipal corporations the courts of Texas have construed liberally the home rule amendment and also legislation and charters adopted in accordance with its provisions. Space will permit a review of only a few of the most important decisions of the appellate courts.

It was very early declared that the home rule amendment was self-enacting and that its provisions became effective immediately upon its adoption by the people. There was no necessity for the legislature to pass an enabling act.[9]

Since the adoption of the home rule amendment, the source of the powers of cities has been changed. The legislature no longer delegates powers to city councils; it may only limit their powers. The powers of the corporation are derived directly from the constitution and not from the legislature. A city no longer has to look to the legislature for a grant of power to act, but only look to see if the legislature has placed any limitations on the power to act granted by the home rule amendment. If the legislature has placed no limitations on the power of a city to act, and the provision is inconsistent with no provision of the constitution or general laws of the state, the power of the city is as general and broad as is the power of the legislature to act.[10]

In agreement with the above, the Court of Civil Appeals of Amarillo further extended the freedom of the city from legislative interference. A city charter is not a law passed by the corporation; it is a law of the state with the same status as any enactment of the legislature, and, in "purely municipal matters," the provisions of the charter are supreme over all laws of the state in conflict, though subject to the constitution. "The limitation forbidding the adoption of charter provisions contrary to the public policy of the state, as declared by general laws, does not forbid the adoption of charter provisions as to any subject appropriate to the orderly conduct of municipal affairs, although they may differ in details from those of existing general laws."[11] But it has been held that a city may not legislate on matters not of purely local concern.[12] No court has yet given a definition of "purely municipal matters."

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[8] City of Fort Worth v. Bobbitt, Attorney General, 36 S. W. 2d. 470 (Comm. App. 1931); see also Cameron v. City of Waco, 8 S. W. 2d. 249 (Civ. App. 1928).

[9] Le Gois v. State, 190 S. W. 724 (Crim. App. 1916); Xydias Amusement Co. v. City of Houston, 185 S. W. 415 (Civ. App. 1916).

[10] Le Gois v. State, 190 S. W. 724 (Crim. App. 1916); Xydias Amusement Co. v. City of Houston, 185 S. W. 415 (Civ. App. 1916); Miller v. Uvalde Co., 20 S. W. 2d. 403 (Civ. App. 1929).

[11] Community Natural Gas Co. v. Northern Texas Utilities Co., 13 S. W. 2d. 184 (Civ. App. 1928).

[12] City of Arlington v. Lillard, 294 S. W. 829 (1927); City of Amarillo v. Green, 267 S. W. 702 (Comm. App. 1924).

In view of these clear statements it is difficult to understand why the legislature continues to confer additional powers upon cities and why cities seek such legislation.

It has been stated that "The state constitution, enabling act, and the general laws of the state *in pari materia* constitute the fundamental laws of home rule cities and rank in order given."[13]

Charters and ordinances of cities incorporated under the home rule act must be consistent with the constitution and statutes.[14] This provision of the amendment does not compel prospective interpretation of its terms but may be given retrospective effect. The legislature did not insert the words "hereafter adopted" after the word "charter" in the constitutional amendment.[15] An ordinance may not prescribe a greater or less penalty than the state law.[16]

Any city may legislate upon any subject of municipal activity not regulated by the constitution or general statute. When a general law is passed, applicable to all cities of a certain class, then no city in the same class is authorized to enact contrary legislation.[17]

A home rule city has the right of independent existence; the legislature may not authorize a city between 100,000 and 150,000 population to annex forcibly an adjoining city of more than 5,000 people. Cities acquire home rule rights when they attain a population of 5,000, and the legislature cannot provide that the population is to be determined on the basis of the last United States census.[18]

Extension of the boundaries of a city in accordance with the city charter is not an amendment of the charter and hence is not in conflict with the provision of the amendment preventing charter changes oftener than every two years.[19] In the adoption or amendment of charters a majority of the votes polled at an election is sufficient.[20]

Finally, the purpose of the home rule amendment has been declared to be that of securing "a convenient and direct method of city government."[21] Its language is to be interpreted according to its usual and popular meaning; it was not written for lawyers and judges alone.[22]

POWERS OF CITIES

In interpreting the powers of cities the courts have shown a tendency to defer to the spirit of the amendment and enabling act. As to general powers it has been held that a home rule city may exercise all powers incident to local self-government, not prohibited by the constitution and laws. Cities may do all things the legislature could have authorized, not in violation of the constitution and general laws.[23]

By the terms of the enabling act cities have the power to fix their boundary limits, and provide for the extension of such limits and the annexation of adjacent territory. The former power of the legislature to extend city limits was conferred on the voters in cities of over 5,000 population, by the home rule amendment.[24] Territory may be annexed without the consent and even against the remonstrance of the residents of such territory.[25] Agricultural lands may be included within the boundaries of a home rule city.[26]

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[13] Cameron v. City of Waco, 8 S. W. 2d. 249 (Civ. App. 1928).

[14] City of Sweetwater v. Foster, 37 S. W. 2d. 799 (Civ. App. 1931).

[15] Ex Parte Norton, 21 S. W. 2d. 663 (Crim. App. 1929).

[16] Brewer v. State, 24 S. W. 2d. 409 (Crim. App. 1930).

[17] City of Beaumont v. Fall, 291 S. W. 202 (Comm. App. 1927).

[18] City of Houston v. City of Magnolia Park, 276 S. W. 685 (Comm. App. 1925).

[19] Eastham v. Steinhagen, 243 S. W. 457 (1922).

[20] Shaw v. Lindsley, 195 S. W. 338 (Civ. App. 1917).

[21] City of Wichita Falls v. Continental Oil Co., 1 S. W. 2d. 596 (Comm. App. 1928).

[22] City of Waco v. Higginson, 226 S. W. 1084 (Civ. App. 1921).

[23] City of Denton v. Denton Home Ice Co., 27 S. W. 2d. 119 (Comm. App. 1930); Bland v. City of Taylor, 37 S. W. 2d. 291 (Civ. App. 1931).

In the field of public utilities a city may issue bonds to establish waterworks outside of the city limits;[27] purchase waterworks machinery;[28] create a public utilities department;[29] and manufacture ice.[30]

Municipal regulations for the protection of public health have been reviewed in several cases. A city ordinance imposing additional burdens to those required by the state law upon plumbers within the city is in conflict with the state law and void.[31] An ordinance requiring employers and employees in food products establishments to submit to medical examination has been upheld, as well as one providing for the regulation and inspection of barber shops, and the physical examination of barbers.[32]

A city's control over its streets is limited only by the constitution and general laws. It may prohibit the sale of merchandise on public squares or streets, provide that an alley may be used only by pedestrians and prohibit its use by vehicles; regulate and license jitney busses; restrict the operation of motor busses to certain streets; and absolutely deny the use of its streets for the prosecution of a business such as that of a public carrier for hire.[33]

In the creation of public debts the courts have insisted that cities satisfy the requirements of the amendment. A state law authorizing a city improving streets to acquire assessment certificates or mechanic's lien agreements and issue special improvement bonds based thereon is unconstitutional as creating a debt against the city without making provision to assess annually a sufficient sum in taxes to pay the bonds.[34] Bonds issued for water, sewer and permanent improvements may not be used in payment for engines purchased for municipal electric light plant.[35]

Zoning in Texas cities has met with some judicial opposition.[36]

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[24] Eastham v. Steinhagen, 243 S. W. 457 (1922).

[25] Cohen v. City of Houston, 176 S. W. 809 (Civ. App. 1915).

[26] City of Waco v. Higginson, 243 S. W. 1078 (Comm. App. 1922).

[27] Cameron v. City of Waco, 8 S. W. 2d. 249 (Civ. App. 1928).

[28] Sowell v. Griffith, 294 S. W. 521 (Comm. App. 1927).

[29] Moore v. Logan, 10 S. W. 2d. 428 (Civ. App. 1928).

[30] City of Denton v. Denton Home Ice Co., 27 S. W. 2d. 119 (Comm. App. 1930).

[31] Massachusetts Bonding and Insurance Co. v. McKay, 10 S. W. 2d. 770 (Civ. App. 1928); Parrish v. Wright, 293 S. W. 659 (Civ. App. 1927).

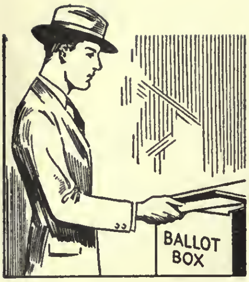
[32] Langley v. City of Dallas, 252 S. W. 203 (Civ. App. 1923); Hanzal v. City of San Antonio, 221 S. W. 237 (Civ. App. 1920).

[33] City of San Antonio v. Fetzer, 241 S. W. 1034 (Civ. App. 1922); West v. City of Waco, 275 S. W. 282 (Civ. App. 1925); City of Dallas v. Ingram, 284 S. W. 345 (Civ. App. 1926); City of Dallas v. Gill, 199 S. W. 1144 (Civ. App. 1917); City of San Antonio v. Stokes, 246 S. W. 706 (Civ. App. 1922).

[34] City of Fort Worth v. Bobbitt, Attorney-General, 41 S. W. 2d. 228 (Comm. App. 1931).

[35] Texas Electric and Ice Co. v. City of Vernon, 266 S. W. 600 (Civ. App. 1923).

[36] See Irvin Stewart, "Zoning and the Courts in Texas," NATIONAL MUNICIPAL REVIEW, XIII, 321-325 (1924); Continental Oil Co. v. City of Wichita Falls, 42 S. W. 2d. 236 (Comm. App. 1931); Scott v. Champion Bldg. Co., 28 S. W. 2d. 178 (Civ. App. 1930); Lombardo v. City of Dallas (1932), unreported; McEachern v. Town of Holland Park, 34 S. W. 2d. 676 (Civ. App. 1931).



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

The Michigan Amendment.—The Democratic party of the state of Michigan is presenting to the voters this year a condensed program of nine short planks, the fifth of which is:

> Election reform with minority representation as a cure for bureaucratic evils.

Former Assistant United States District Attorney Walter I. McKenzie of Detroit was appointed by the party's recent state convention to serve as chairman of a committee to secure the adoption of the constitutional amendment referred to in our last issue, which would prescribe proportional representation for the state house of representatives and legalize it for other purposes. The committee was given "full authority to act and, if the legislature failed to provide for a vote on the amendment, ... to raise funds, prepare and submit initiatory petitions, and conduct the necessary educational campaign."

Mr. McKenzie is planning to organize a nonpartisan committee, including prominent Republicans who believe that more adequate representation of the opposition party and of the different elements in their own party would be beneficial, and to bring the question to a vote at the spring primary next April.

The proposed amendment (much of which continues present provisions with suitable modifications) reads as follows:

Amended Article V, Section 3

The house of representatives shall consist of not less than sixty-four nor more than one hundred members. Representatives shall be chosen for two years. For the election of representatives, districts shall be created of convenient and contiguous territory. Each district shall contain as nearly as may be not less than three full ratios of population nor more than seven full ratios of population. No county shall be divided in the formation of such legislative districts unless such county shall be equitably entitled to more than seven representatives. Each district shall elect as many members as it has full ratios of population. An elector shall help elect one representative by a system of proportional representation which the legislature shall prescribe. In every county containing more than seven full ratios of population the board of supervisors shall assemble at such time and place as shall be prescribed by law, divide the county into representative districts as herein provided and cause to be filed in the offices of the secretary of state and clerk of such county a description of such representative districts, specifying the number of each district, the number of representatives to be elected therein, and the population thereof according to the last preceding enumeration.

Article III, Section 9 (New)

Nothing in this constitution shall be interpreted to prohibit the use of preferential voting, or, where two or more members of a representative body are elected from one district, restricting the number of members an elector may vote for in order to produce proportional or minority representation.

*

Socialist Party of America.—The Socialist party national platform, adopted by the national convention in Milwaukee in May, contains a list of "Constitutional Changes" advocated, beginning:

1. Proportional Representation

Taken in connection with the Democratic party's action in Michigan and the Republican party's approval of P. R. in New York City (reported in the *Proportional Representation Review* for April), this reaffirmation of the Socialist party's traditional stand on the question emphasizes the all-party character of the movement for true representative government.

*

League of Women Voters.—The Pennsylvania League of Women Voters has moved "City Manager Plan and Proportional Representation" from its program for study to its program for support in the program of work for 1931-1932. A similar step is being proposed in Ohio. The support of the New York City Leagues was recorded last month. P. R. is on the national study program of the League and has in fact of late years received its support after appropriate study wherever it has become an issue. Miss Belle Sherwin, national president, and Mrs. Carrie Chapman Catt, former president, are members of the advisory council of the Proportional Representation League.

*

P. R. in College Elections.—To Professor Howard White of the department of government and politics at Miami University, Oxford, Ohio, we are indebted for a report on the use of P.R. for the university's student-faculty council elections. Each spring six men students, six women students, and six faculty members are elected by the Hare system for the ensuing year. There have now been four elections. The plan was introduced at Professor White's suggestion in 1928, at which time student government affairs were completely dominated by a coalition of fraternities and sororities. The opportunity for minority representation at once brought into the field a "liberal" group in opposition and both groups have increasingly bid for "independent" support by placing students not connected with fraternities and sororities on their tickets. The representation has been rather evenly divided, with independents regularly among those elected. This spring an independent was runner-up for president of the council and was chosen vice-president.

This experience of Miami with P. R. is very similar to the experience of Northwestern University, described by Earl H. De Long in the *Proportional Representation Review* for October, 1930. Among the other institutions of higher learning using P. R. for student or student-faculty council elections are the University of Nebraska, University of Pittsburgh, the University of Colorado, Mt. Holyoke, Barnard, Antioch, and Loyola (Chicago).

*

Other Private Elections Here and Abroad.—The number of private organizations using P. R. continues to grow. Among those not reported earlier in the *Proportional Representation Review* which have recently used the plan are the Allied Boards of Trade of Allegheny County (including Pittsburgh), Pennsylvania, the Washington (D. C.) Academy of Sciences, the Chemical Society of Washington (D. C.), the Optical Society of America, the Society of American Foresters, and the Cleveland lodge of the Brotherhood of Railway Clerks. The Pennsylvania State Education Association has used the Hare system for the election of its officers, committees, and delegates to the National Education Association each year for the last eleven years. The Bar Association and Lawyers' Club of Cincinnati uses the Hare system of preferential voting in its bar primary for the selection of candidates to endorse for judicial office.

A report of the British P. R. Society gives the following organizatons as using the Hare system, either as a system of P. R. for committees or as a system of preferential voting for officers or both: "the Civil Service Confederation, the National Council of Women, the Independent Labour Party, the National Union of Clerks, the National Union of Railwaymen, the National Union of Teachers, the National League of Young Liberals, the London Liberal Federation, the Yorkshire Liberal Federation, the Royal Arsenal Co-operative Society, and other co-operative societies, the Congregational Union of England and Wales, the London Congregational Union, the Unitarian and Free Christian Churches, the Dental Board of the United Kingdom, the Nottingham City Business Club, the Northern Colliery Officials Mutual Aid Association, the Students Union of the London School of Economics, the Students Advisory Committee of Morley College, London, the Engineers Staff Association of H. M. Office of Works.

"A further very important application of P. R. was the election of proctors for the clergy in all dioceses in England. These proctors, with additional *ex officio* members, form the

Lower Houses of Convocation in the two provinces of Canterbury and York, and the two Convocations sitting together form the House of Clergy of the National Assembly of the Church of England." The House of Laity of the Church of England was also elected by P. R. for the first time in the summer of 1930.

A notable adoption of P. R. in Australia is for the large Tramway Employees' Association of New South Wales.

*

Calgary Makes Unique Use of Preferential Ballot.—Last fall the city of Calgary, Alberta, which has used P. R. for its council elections every year since 1917, used the same form of ballot to determine the city's form of government. The ballot reads as follows:

City of Calgary
Voting November 18th, 1931
Plebiscite re City Manager

Vote by placing the figure 1 opposite your first choice.

Vote by placing the figure 2 opposite your second choice.

Vote by placing figure 3 opposite your third choice.

Are you in favor of a *city manager* form of government for the city of Calgary, by which a city manager to be appointed by the city council shall be responsible for the administration of the city and the control of all the departments of the city except the departments of the city comptroller and the city clerk?

Are you in favor of the continuation of the present form of *elected commissioner* government in the city of Calgary?

Are you in favor of the city commissioner, other than the mayor, being appointed by the city council, the said *appointed commissioner* to act in conjunction with the mayor in the administration of the affairs of the city?

The existing elected commissioner form received a clear majority of first choices, which made it unnecessary to transfer the votes of the alternative which received least support. The province of Alberta used the same general plan a few years ago to determine public sentiment as to the form of provincial liquor control.

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Armidale, New South Wales.—The city of Armidale successfully carried out its second P. R. election on December 5. . . . There was unprecedented interest in the election and a record poll. Three years ago there was a certain amount of hostile criticism of P. R. This year there was none. . . .

Of the total formal votes of 1,979, no fewer than 1,775 assisted in electing an alderman. Compare that with Canterbury, for example, where a bunch was elected with 61,459 votes, while 84,936 votes elected nobody.

At Canterbury the number of electors voting was 12,199, and they had each to vote for 12 candidates, with the result that a minority elected the council. A considerable majority of the electors got nothing for all their time, trouble, and expense in taking part in that election. Attention is specially directed to the number of wards and municipalities where the votes of a minority prevailed while the majority were disfranchised. These examples show the urgent need for proportional representation for local government elections.—*The Standard,* Sydney, January 15, 1932.

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Proportional Representation an Issue in Japan.— The world-wide business depression brought about a beneficial by-product in Japan which happens to be an election reform. The present government is with all seriousness considering the question of reforming the present archaic and abuse-ridden election system, not primarily motivated by the desire of reforming it for its own sake, but prompted by the necessity of curtailing expenses incident to parliamentary elections and of lessening financial burdens of candidates running for parliament. As a matter of fact, the question of election reform has been arresting the attention of the public in general of late, but the retrenchment policy accelerated the process of bringing about this change at this time.

At the close of 1931 the department of home affairs directed the bureau of prefectural affairs to make the most thorough and extensive study of the various systems of election in use throughout the world and to make such a recommendation as the bureau deems fit and proper to make for consideration by the legislative committee on law-drafting. The bureau has published a brief report recommending most heartily the adoption of the system of proportional representation to replace the majority system[1] for parliamentary elections.

So far as we can surmise, members of the legislative committee on law-drafting are in agreement with the suggestion made by the bureau and tentatively decided upon adopting the list system of proportional representation, based principally upon the German practice with a slight modification taken from the Belgian practice.

The committee is at present busily engaged in preparing a final draft of the election reform bill; however, it is highly doubtful whether it will have it ready for the present session of parliament.—*Koichi Hasegawa,* Osaka, May 12, 1932.

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P. R. and Good Government in Cincinnati. (Reprinted from signed articles in the Cleveland *Press* for April 4 and 5).—A political success, far more significant even than the machinery of the manager plan, underlies Cincinnati's good government during the last six years.

Plenty of American cities have had reform movements and reforms, all of them in fact, only to see them slipping back after a few years or months, with the discouraged citizenry standing on the side lines, wringing their hands, and moaning "What can you do about it? Nothing. Politics is politics."

Cincinnati residents did something about it. They organized, beat the old party bosses, and shared a miracle—the return of faith to the hearts of the people of a great American city, that the ballot matters, that it can be used effectively to take government from the party bosses and put it back into the hands of the people.

And today, the independent voters of Cincinnati cannot be discouraged. Last fall they lost an extra councilman, the vote for the nine-man council elected four for the old bosses, instead of only the three which had been lost by the charter defenders in the previous elections under the manager plan.

The unrest of depression and a dissatisfaction with the auditor's appraisal of real estate, unjustly thrown at the door of the Charter Committee, are given as the reasons for the loss of the extra councilman.

But, whatever the causes, there is no discouragement. The Charter Committee, the name retained by the charter defense crowd, is merely making extra plans for a thorough job in the campaign of 1933.

This is a people's party, this Charter Committee. It shows all of the political vitality of the old city parties, in fact a lot more than is being shown right now by the Republican party of Messrs. Schneller and Schorr, which has had six long, hungry years.

The Charter Committee has a paid secretary and a paid staff. It raises a budget for steady, effective between-campaign propaganda.

There is a party organization of 5000 workers. There are precinct captains in most of the precincts. Yet nobody gets a dime. And not a single officeholder is a party worker. . . .

Henry Bentley, president of the City Charter Committee, and the only political "boss" who has done any effective bossing in Cincinnati in the last six years, ascribes the success of the Cincinnati plan to three elements:

The small Council (nine).

The election of councilmen at large (instead of by districts) by proportional representation.

The City Charter Committee. . . .

Bentley gives great credit to P. R. as a political device. His enthusiasm goes so far that he would let proportional representation take the place of primaries.

"The primary has become just about the rottenest thing in American city politics," says Bentley.

"I would make it easy for candidates to get nominated by petition. Then I would let the preferences, which the primaries are supposed to take care of, be worked out under P. R. voting. You then have the equivalent of compulsory participation in primaries. Anyone who votes has to express a preference."

It is notable that I heard no growling about P. R. in Cincinnati. All the charter crowd, and they now control elections, are P. R. enthusiasts.—Carlton K. Matson, associate editor of the *Cleveland Press.*

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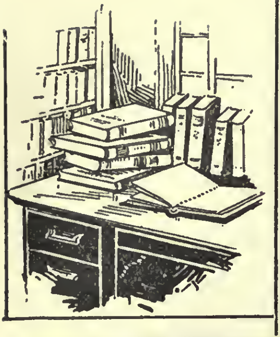
[1] According to our latest reports the system now in use is not, strictly speaking, a majority system, though the candidates receiving most votes are at once declared elected. Three or more are elected from a district and the voter votes for only one. This "single non-transferable vote" is itself a crude form of proportional representation, since a large minority can elect its proportionate share if it does not divide its vote among too many candidates. It is, of course, inferior to the list, and particularly to the Hare systems of P. R.—Ed.



RECENT BOOKS REVIEWED

Principles of Public Utilities. By Eliot Jones and Truman C. Bigham. New York: The Macmillan Company, 1931. 799 pp. $4.25.

This book is interesting as well as thorough, useful to the general reader as well as to the specialist, unbiased in its treatment of the subject, broad-visioned in its perspective, and a most worthy addition to the existing treatises on this subject. It is wisely limited to a consideration of electric light and power, gas, street railway, telephone and water utilities. An interesting historical survey, followed by a clear-cut discussion of the peculiar characteristics of public utilities, is presented by way of introduction to the general subject. Regulation, rate structures, the movement for consolidation, public relations and public ownership are then treated in a varying degree of detail.

Of special significance in the treatment of regulation by commissions is the discussion of the appropriate division of functions between the municipal, state and federal governments. Departing from a conventional discussion of state public service commissions and their functions, the authors take the point of view that while state regulation will become increasingly important there is opportunity, on the one hand for more effective sharing of control by local governments and on the other, there is increasing need for federal regulation in those fields which are beyond the constitutional authority of the states to control. Advocacy of state regulation of the accounting, but not of the rates, services and financing, of municipally owned utilities, indicates an understanding perception as to the proper handling of this unsettled problem. The chapters dealing with the technical problems of regulation such as valuation, rate of return and regulation of accounts and reports and of securities make full recognition of the fact that regulation has failed thus far to safeguard adequately the public interest.

The authors, while they do not advocate public ownership as a panacea for the present shortcomings of privately owned utilities, conclude that proper public policy calls for the establishment of the clear and unhampered right of cities to engage in public ownership and for cities (and other government units) to make themselves ready for municipalization by learning to operate their affairs on business principles with the minimum intrusion of politics.

If any adverse comment is to be made of a treatment, which is generally satisfactory in its point of view, it is that the authors have not applied their critical analysis with sufficient keenness in dealing with the subject of relations with the public and customer ownership.

Frederick L. Bird.

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Luxury Taxation and Its Place in a System of Public Revenues. By Ralph Burnett Tower. Special Report No. 4 of the New York State Tax Commission, Albany, 1931. 235 pp.

This is the fourth special report prepared for the New York state tax commission in accordance with the plan adopted by the commission in 1928 of establishing university fellowships in taxation. Dr. Tower, the author of the present study, was the taxation fellow at Cornell University.

Preliminary chapters treat successively the definition of luxury, the nature and history of modern luxury taxes, and the economic theories of luxury taxation, after presenting the theoretical of luxury taxes in operation today in the several states.

Consideration is given first to the tobacco taxes. This chapter is an excellent summary of the tobacco tax provisions for each one of the eleven states employing this type of revenue measure. The administrative procedure in each state is critically reviewed; the operation and effectiveness of the tax appraised in each particular instance. A final chapter deals with the possibilities of luxury taxation for the state of New York. While a more penetrating analysis on the actual operation of luxury taxation would have been desirable, the difficulties attendant upon this type of investigation are well nigh insurmountable. The study as a whole is well executed.

Some of the conclusions of the author may be summarized as follows: The widespread enactment of luxury tax legislation among the states dates back only to 1921, and present evidence indicates that future growth is likely to be slow; actual experience shows that the burden of these taxes ordinarily falls upon the ultimate consumer; luxury tax administration is more effective in the North than in the South, due mainly to the illegal evasion of the tobacco tax in the latter area; calculations as to cost of collections are practically impossible, except in a few instances, and here the indications are that such taxes are no more expensive to collect than income taxes and other direct state levies; ordinarily the consumer does not offer strenuous objection to luxury taxation, unless business men and politicians create false impressions about them; taxes on malt, fountain drinks, cosmetics, playing cards are either undesirable or unsatisfactory.

Martin L. Faust.

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The Mercer County Plan: A Guide for Future Development. Prepared by The County Planning Commission, with Russell Van Nest Black, Consultant, 1931. 110 pp.

The recent advances in the application of regional planning technique are well exemplified by the Mercer County Plan. Lying midway between the great regions comprised in the New York and the Philadelphia Tri-State regional plans, this particular county conforms sufficiently closely to the region suitable for planning as a unit. Furthermore, if every county in New Jersey was similarly planned the principles of regional planning would thereby be applied to all the interlocking and overlapping regional areas that comprise the state.

The present plan, which is styled on the inside title page "A Master Plan," naturally stresses those phases in which the greatest concrete results can readily be obtained at the moment; transportation by highway, parkway, rail, water and air, and recreation, particularly as provided for by scenic river valley and forest parks and golf courses. No plan for regional zoning is included, but it is hinted at on an existing uses map, which shows also "most probable area of expansion of general development, area most adaptable to industrial development, and area comparatively ill adapted to general or industrial development." Considerable space is devoted to ways and means of financing and executing the various features of the plan, an indispensable accompaniment to any technical proposal, but too often in the past ignored or slighted.

Arthur C. Comey.

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Public Health Organization. E. L. Bishop, M.D., Chairman. White House Conference On Child Health and Protection. New York and London: The Century Company, 1932. 345 pp. $3.00.

Out of the noteworthy conference on child health assembled by President Hoover in November of 1931 have come a number of brilliant reports. This particular study is unquestionably one of the outstanding publications issued to date.

Marshalled in it are the opinions of a distinguished committee of sanitarians and public health authorities regarding public health service and administration, federal, state, municipal, rural, and non-official. Also included are excellent chapters on the training of public health personnel, the place of child health activities in health programs, the relation of physicians and dentists to such programs, the health aspects of food control (except milk, for which a separate volume will be issued), and the function of research.

After a presentation and discussion of a mass of data, accompanied by a profusion of useful tables, the book sets forth a number of essential principles and policies. In one or two instances there are dissenting opinions, particularly with respect to the place for child hygiene activities in the federal government and the principle of federal subsidies for state health activities, but in the main these conclusions offer a sound basis for future progress in public health administration in this country.

That part of the report dealing with city public health organization is much more complete and detailed than those portions dealing with state and rural organization. The section on federal health work is well done, although its authors somewhat arrogantly neglected to mention previous extensive studies on this important subject, and one or two of their recommendations were responsible for much controversy.

James A. Tobey, Dr. P.H.

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Southampton—A Civic Survey. Edited by P. Ford. London: Oxford University Press, 1931. 98 pp. $10.

One advantage of unofficial town planning activities is that, under some circumstances at least, they may more readily maintain a broad, far-seeing outlook and they may be able to present their conclusions more adequately in published form. In the Foreword to the *Southampton Civic Survey* it is stated that a civic survey, while a necessary preliminary to the preparation of a sound scheme of town planning, "as a rule can only be undertaken by voluntary effort." The present work was, however, carried out "with the knowledge and approval of the town authorities," a most advantageous arrangement. Its vital import is predicted on the statement that "the notion that town planning is a matter merely of providing fresh roads for developing traffic is long dead; and it is now recognized that it is an endeavor to guide the town's growth in the light of the forces which shaped its past and will affect its future."

The report, which is sumptuously printed and copiously illustrated with photographs and a series of graphic maps, therefore, stresses historical and geological aspects as well as the more familiar matters of land utilization, port development, communications, housing, open spaces, education, and utilities. As is usual in British town planning studies, much attention is paid to basic sociological factors, such as a detailed study of income groups, particularly in relation to housing, and population shift. British problems are not essentially different from those in America. A study of their methods cannot help stimulating a re-valuation of American practices.

Arthur C. Comey.

Home Finance and Taxation. The President's Conference on Home Building and Home Ownership. Washington, 1932. xiv, 278 pp. $1.15.

Many who buy their own houses have so little money and so few means of borrowing except at prohibitive rates, that any financial set-back forces them to give up their homes and to sacrifice their investment. This and kindred problems are studied in the report of the Committee on Finance, perhaps the most important committee in the President's Conference.

Having as its motto the statement that "Every American family which so desires and is able financially should own their own home," the committee points out clearly the risk in making too small a down payment and in mortgaging too large a part of the income of the purchaser. It also discusses at length the great costs of junior financing and of foreclosures. The recommendations are that at least 25 per cent of the total cost should be paid in, that the running expenses should not exceed 25 per cent of the family income, and that if a second mortgage is necessary, it should be paid off before expiration. A good deal of attention is paid to taxes as burdens on the home-owner and suggestions are made for relief.

Emanuel Stein.

New York University

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Special Assessments in Detroit. By George Adams Graham. University of Illinois, Studies in the Social Sciences, Vol. XVII, Nos. 3-4, Urbana; University of Illnois, 1931. 318 pages (including 19 figures and 12 plates). $2.50.

This volume constitutes a welcome addition to the scanty literature available on special assessments. In spite of the fact that its scope has been deliberately limited by the author to a discussion of special assessments for street and alley paving and for street openings and widenings in one city, it adds more to the sum total of human knowledge on the subject than most of the broader excursions in the same field.

After two chapters dealing with the theory of special assessments and with the types of questions to which administrators must formulate answers in their efforts to apply the theory, Mr. Graham describes the procedures in Detroit for street paving and alley paving.

He criticizes justly and pointedly the rigid procedure prescribed for street paving assessments in the charter of that city. He points out that the apportionment of paving costs, less costs of intersections, on abutting properties in proportion to frontage, cannot possibly result in assessments in proportion to benefits; and that the council, in the exercise of its powers to modify assessments levied in this manner against irregular lots, merely adds to the confusion. He asks pertinently, in passing, why street paving should be handled in a different manner from street openings and widenings, and then goes on to discuss assessments for alley paving, which under the provisions of the same charter are made in proportion to benefits.

The succeeding five chapters are devoted to a general discussion of the problems confronting the Detroit officials in the levy of assessments in proportion to the benefits conferred by street openings and widenings. The general procedure is outlined; the general principles deducible from the results of that procedure are first stated and then evaluated; a standard practice, formulated on the basis of the general and special problems encountered in the specific cases studied, and modified in the light of wide and analytical reading, is proposed; the best current thought on the essentials of administrative organization, and of personnel administration, is clearly stated. These chapters constitute a very real contribution to the thinking in the field, and deserve a fuller review than is here possible. Some of the conclusions will undoubtedly be questioned, but an unprejudiced reader must admit that the analysis on which the conclusions are based is searching and enlightened, and broad in scope. The reviewer ventures the suggestion that, if hilly Cincinnati had been selected for intensive study rather than level Detroit, topography would have been included among the independent variables which are pointed out in the chapter on standards as affecting the shape and size of benefit districts, and the flow of benefits among the individual parcels within the districts.

The final chapters describe the specific assessment projects which were subjected to analysis—thirty-three street openings and widenings, and five alley pavings. The value of this part of the study is increased because the information presented is not confined simply to the manner in which the levies were spread. It includes also general information on land uses, population density, rate of growth of population, other thoroughfares in the neighborhood, total costs of property acquired, and the percentage of the costs borne by the city at large. For each project, the assumptions relative to benefit on which the spreads seem to have been based, are summarized.

Since the conclusion in 1929 of the field studies on which the volume is based, certain basic problems have emerged which were not apparent at that time. Detroit, like many other American cities, finds itself in financial difficulties. Some of the very improvement projects described by Mr. Graham have no doubt contributed their quota to the deficiency in revenue collections which produced the stringency in the finance of that city. It is to be hoped that Mr. Graham will some day find time to make a restudy of those benefit districts in the light of what has happened since 1929.

Philip H. Cornick.

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Federal Limitations Upon Municipal Ordinance Making Power. B. Harvey Walker. Columbus: Ohio University Press, 1929. VIII, 207 pp. $3.00.

The ordinance making power which differentiates the true municipal corporation from other local governmental agencies is primarily a matter of statute law, construed by the courts in the light of the limitations imposed by the state constitution. The principles governing such construction which have been worked out by our courts constitute a vast body of common law quite as uniform among the various states as any other part of their public law. But that construction is necessarily subject to the paramount law of the land as set forth in the Federal Constitution.

The comprehensive study of the federal limitations upon the legislative powers of the states for which we are indebted to Dr. Walker is a valuable contribution to our literature on constitutional law. The aim of the author was to bring before municipal officials the positive restraints upon the ordinance making power as they have been defined by the Supreme Court. The approach selected is admirable. The decisions are grouped as they relate to the various clauses of the Constitution, especially the commerce clause, the contract clause and the Fourteenth Amendment. The statements of the issues raised in the case and the holdings of the court are clear and accurate. In short the work has been well done and will be of valuable assistance to all state and municipal legislators.

Any adverse criticism of Dr. Walker's work must take the form of disappointment that he has not undertaken to treat of certain topics that are constantly requiring elucidation. We would welcome a supplementary volume, to include a study of the attitude of the Court as to due process in administrative procedure, the requirements of definite standards of conduct in ordinances, the limitations upon the exercise of the power of eminent domain, the all important question as to how far the Court will go in recognizing the decisions of the state courts as to what is a public purpose, or a public use or the extent of the police power itself.

C. W. Tooke.

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Taxation in Virginia. By William H. Stauffer. New York: The Century Company, 1931. 309 pp. $4.00.

This survey of the tax system in Virginia is primarily a factual study that presents exhaustive and detailed statistical computations on the significant phases of the state's revenue system. The author interprets and analyzes the data and makes such suggestions for improvements as in his opinion specific facts warrant and sound theory demands. The first half of the volume examines in successive chapters the growth of governmental costs and taxes, state and local tax sources, financial aspects of county government in Virginia, state and local property taxes, and the income tax. The last half of the volume analyzes the taxation problems of the state from the standpoint of the subjects of taxation, considering respectively the farmer, ordinary business, public service corporations, banks, and such miscellaneous subjects as insurance companies, inheritances, and forest lands. The emphasis in these chapters is mainly on such factors as equitable treatment, ability to pay, benefits received, comparisons with other states, and administrative difficulties.

The author pleads for the development of a popular sentiment that will correct the unequal and discriminatory assessments all too evident in the taxation of real estate and tangible personal property. He believes the retention of the tax on bonds and other forms of indebtedness and the exemption of shares of stock to be inconsistent. He thinks it desirable to abandon the annual franchise tax measured by authorized capital stock which is imposed upon domestic corporations, and suggests, in lieu thereof, an increase in the corporation income tax rates to 4 or 4½ per cent. A low rate on intangibles in conjunction with the personal income tax is also suggested. The income tax rates on personal income might properly be set to higher levels in the case of the larger incomes. "Restoration of exemptions to $1000 and $2000 and provision for rates ranging from one per cent to five per cent at intervals of $2000 would, on the whole, be much more equitable than the provisions of the existing law." Federal statutes and court decisions prevent the states from exacting from banking corporations taxes proportional to their ability to pay. Certain changes, however, might be made in the bank tax law which might result in more revenues from that source, but which would not raise the question of constitutional restrictions. While the author finds that railroads and other public utilities contribute a substantial amount to the state and local governments, he concludes that their burdens are not excessive when comparisons are effected with other states.

The volume evidences painstaking research on the part of the author. It is a highly creditable addition to our materials on state finance. The reviewer feels that the editing and arrangement of the subject matter leaves much to be desired. There are no summaries at the end of the chapters, and the four-page final chapter is very inadequate as a concluding chapter for such a comprehensive treatise. The failure to number pages containing tabulations, and these are numerous, is also an unfortunate inadvertence. While these are minor matters, the reviewer believes that more attention to the form of presentation in the case of scientific studies of this sort would add to their usefulness.

Martin L. Faust.

Rural Government. Proceedings of the Fourteenth American Country Life Conference, New York, 1932. viii, 164 pp. $2.00.

These Proceedings contain selected papers read at the Conference of the American Country Life Association held last August at Ithaca, New York. They all relate to county and rural government and constitute a valuable index to current thought on the subject. In the first article former Governor Frank O. Lowden indicts in convincing language obsolete features of rural government, overlapping units with the long ballot, obsolete townships and slovenly financial practices are condemned in no unsparing terms. Other articles representing advance ideas include The New Rural Municipality by T. B. Manny, Can Local Self-Government be Preserved in our Rural Areas? by Paul W. Wager, and What Changes Should be Made in our Local Units of Government? by Howard P. Jones.

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Government by Cooperation. By Emerson D. Fite. New York: The Macmillan Company, 1932. 345 pp. $3.00.

This book deals in some detail with the notion of coöperation as a device in government and administration. This notion is a peculiarly significant one in a political society organized federally and in an economic system in which the belief in individualism is still deeply intrenched.

A brief chapter in which the formation of the Union is discussed as an example of interstate coöperation is followed by others dealing with the development of national coöperation —both legislative and administrative—with the states, with various types of joint action by states, departmental coöperation on various governmental levels, with international coöperation, and with coöperation in business enterprise here and abroad. To the reviewer the most interesting portion of the book is that dealing with national coöperation with the states and interstate coöperation through the executive, legislative and judicial departments. Much of the discussion has to do with such mundane matters as motor vehicle and standard weight and measure legislation and with interstate water rights and bridge compacts, but of such is modern administration, and it is worth a good deal to have collected in one place so much that is illustrative of the actual machinery evolved for doing the work of government.

While useful as it is, the book is suggestive as a starting-point for more detailed studies of these developing devices from the point of view of their effectiveness, the exact nature of the machinery and techniques, and such subtler matters as the repercussions on state government and administration.

Lane W. Lancaster.

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MUNICIPAL REPORTS

Albert Lea, Minnesota. *Annual Report, 1931.* By C. C. Ludwig, City Manager. 24 pp.

Cincinnati, Ohio. *Municipal Activities (Annual Report), 1931.* By C. A. Dykestra, City Manager. 52 pp.

Two Rivers, Wisconsin. *Sixth Annual Report, 1931.* By E. J. Donnelly, City Manager. 72 pp.

These three reports are of an exceptionally high caliber. All were published from six to ten weeks after the close of the year and thereby bring a freshness which is so desirable in a public report. They vary somewhat in length without apparent justification. Albert Lea tells its population of 10,000 as much as it thinks it will read in twenty-four pages while Two Rivers with the same population imposes seventy-two pages on its inhabitants. Cincinnati on the other hand has tried to satisfy the "reporting" appetite of its 450,000 people with but fifty-two pages. In cutting the length of this year's report to less than half of the 1930 issue Cincinnati apparently is not laboring under the illusion that the length of a public report should vary with the size of the city but rather on the basis of public interest in reporting.

For a neat attractive pocket size booklet containing seemingly all the information of interest to its citizens the Albert Lea report ranks high. For example, the citizen worried by his tax dollar finds on page 24 that in 1924 the total tax levy was 93 mills and that in the good year 1932 it had shrunk to 81 mills and the levy for each of the eight years is broken down according to purpose. The citizen also learns that only one death from a communicable disease occurred in 1931, that the total fire loss for the year was $3,484.47, or 1.1 per cent of the value of property threatened, and that the charter limit for general bonds is $727,734 while present bonds outstanding total $441,663, leaving a comfortable margin of $286,071. It would be difficult to think of a question regarding Alberta Lea's municipal affairs that is not answered in this attractive booklet.

We have been accustomed to seeing good reports emanating from Cincinnati but the present issue is a bit better than its predecessors. First of all we find all we want to know in fifty-two pages while back in 1929 we had to read 198 pages or at least were expected to, in order to have our appetite for reporting satisfied. In one notable respect Cincinnati's report is distinctive in that it devotes two pages to the Personnel Division, an activity almost invariably ignored in municipal reports. Here one can find the number of employees by activities for each year of the past seven years. Personally the reviewer would have been interested also in a table giving the accessions and separations from the service, and salary changes, arranged by departments. One cannot help but note, however, and with pride, that for the functions under the city manager there was a decrease of 169 in the number of employees for the six-year period. To mention but a few of the features of which this report abounds we learn that the city contributed $720,000 to unemployment relief and still closed its books at the end of the year with a balance of over $40,000 and that the tax rate of $9.10 per thousand of assessed valuation was the lowest rate of any city of 300,000 population or over.

The Two Rivers report is also of a very high order—length being its worst offense. The charts are plentiful and clearly drawn, the pictures too are well selected, and this illustrative material is well distributed throughout the report. It would appear to many to contain too much detail and many items of merely passing interest. It might very well be, however, that the people of Two Rivers take time to dig into the trivial affairs of their municipal government and if this be true more strength, or perhaps more appropriately, better eyesight to them. With such examples of public reporting as these three reports offer there is no longer any excuse for a public official not knowing what and how to report the activities the administration of which he has been charged.

Clarence E. Ridley.

The University of Chicago.

REPORTS OF PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Survey of Motor Equipment.—Bureau of Municipal Research, St. Louis, Missouri, 1932. 64 pp. The complete motorization of city forces and the rather high cost warrants careful study. The numerous agencies interested will find an important addition to the limited material available in the recently completed survey of the situation in St. Louis. A total of almost one thousand motor units are controlled by the city, the police department, the board of education, the library and the zoo, and in addition monthly allowances are made for the use of certain privately owned cars. The survey indicates opportunities for numerous improvements, with a probable saving of $50,000 a year in city and police fleet operation. This economy could be effected primarily through centralization of control to eliminate idle cars and chauffeurs, to equalize transportation facilities, to facilitate sound purchasing methods, to provide proper checking on the use of the cars as well as their mechanical condition, and to maintain uniform records as to unit costs and other operating data essential to efficient conduct of this important municipal property. (Apply to Bureau of Municipal Research, Fullerton Building, St. Louis, Missouri.)

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Essentials of American Government.—F. A. Ogg and P. Orman Ray. Century Company, New York, 1932. 620 pp. The authors of this volume have presented the same general material and point of view as in their *Introduction to American Government* in somewhat briefer fashion. Important facts are given, but numerous details and suggested references have been omitted. Such material has been included as was necessary to present adequately most recent developments, such as, for instance, a new chapter on foreign relations. (Apply to the Century Company, 353 Fourth Avenue, New York. Price $3.00.)

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National Directory of Commodity Specifications.—Bureau of Standards, Washington, D. C., 1932. 548 pp. This is the revision of the directory first issued in 1925, containing a complete list of the standards and specifications of national trade associations, of technical societies and organizations and of federal governmental agencies. Such a compilation of current nationally recognized standards is invaluable to purchasers and specification-making groups. (Apply to Superintendent of Documents, Washington, D. C. Price $1.75.)

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Survey of Zoning Laws and Ordinances Adopted during 1931.— Norman L. Knauss. Bureau of Standards, Washington, D. C., 1932. 46 pp. Sixty-nine per cent of the urban population of the United States lives in zoned communities. Several state enabling acts enacted during the past year, and other important legislation are briefly reviewed here. Statistics on zoned municipalities—as to the type of ordinance and the date of adoption are given by states, and the material is compiled into several interesting tables. (Apply to Division of Building and Housing, Bureau of Standards, Washington, D. C.)

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The Management of Municipal Utilities in Wisconsin and **The Financing of Municipal Utilities in Wisconsin.**—League of Wisconsin Municipalities, Madison, 1932. 15 and 11 pp. The first of these two brief studies deals with several types of supervision of municipal utilities and recommends an ordinance providing for a special utility commission, to be appointed by the local council, which would be responsible for the general control of the municipality's utilities, through the appointment of manager, control over funds and the like, in accordance with the Wisconsin statutes. The second study summarizes the financial arrangements which may be made by municipalities interested in acquiring, constructing or reconstructing light, heat, water power, telephone or toll bridge utilities. (Apply to League of Wisconsin Municipalities, 114 N. Carroll Street, Madison. Price 25 cents, 50 cents.)

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Social Insurance Legislation.—Metropolitan Life Insurance Company, New York, 1932. 70 pp. For the fourth in its series of monographs on the important subject of social insurance, the investigators for the Metropolitan Life Insurance Company have brought up to date their material. The present, as well as earlier, provisions of the health, unemployment and pension systems are presented for the countries of Great Britain, Germany, Belgium, Denmark, Italy and Switzerland. Pertinent statistical material is given. (Apply to Metropolitan Life Insurance Company, 1 Madison Avenue, New York.)

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A Tabulation of City Planning Commissions in the United States and **Survey of City Planning and Related Laws in 1931.**—Lester G. Chase. Bureau of Standards, Washington, D. C., 1932. 45 pp., 54 pp. Earlier reports are here brought up to date. The official planning commissions of 828 municipalities are described as to size, term of office, method of appointment, and whether paid or voluntary. The survey describes recent state legislation on city planning. (Apply to Division of Building and Housing, Bureau of Standards, Washington, D. C.)

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Regional Planning Commissions or Organizations.—Lester G. Chase. Bureau of Standards, Washington, D. C. 8 pp. There are seventy-nine existing regions which have undertaken some group organization for planning. Four of these are official state organizations, and forty-five are official county commissions. Many of the others are unofficial. These are all listed here by states. (Apply to Division of Building and Housing, Bureau of Standards, Washington, D. C.)

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Handling Traffic Violations in New York State Cities.—Glen F. Leet, New York State Conference of Mayors and School of Citizenship and Public Affairs, Syracuse, N. Y. 1931. 70 pp. Mr. Leet shows the importance of so-called minor traffic regulations and describes the methods used in enforcement. These are evaluated on the basis of their effectiveness, the burden to the public and the cost to the municipality. The practice in New York state has been supplemented by a description of the traffic violations bureaus in a number of other cities. Considerable attention is given to records and various reporting forms. (Apply to Bureau of Training and Research, New York State Conference of Mayors and Other Municipal Officials, City Hall, Albany.)

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A Survey of the Organization and Operation of the Tax-Supported Hospitals in the County of Hamilton and City of Cincinnati.—Cincinnati Bureau of Governmental Research, Cincinnati, Ohio, 1932. 156 pp. Specific requests to study the tax-supported hospital institutions in Cincinnati revealed that such study should include joint consideration of the Cincinnati General Hospital, the Hamilton County Tuberculosis Sanitorium, the Hamilton County Chronic Hospital and the Hamilton County Home. These four units, though intelligently and cooperatively operated, nevertheless, suffer from separation into city and county units and the transfer of the General Hospital to the county is therefore recommended. The survey also leads to the opinion that the entire health work of the county and its political subdivision should ultimately be put under a director of public health responsible for the entire county. More immediately, the four institutions surveyed should be put under a director of hospitals and administered through his deputies. The results of the detailed study of the functions and operation of the units are given. (Apply to Cincinnati Bureau of Governmental Research, 914 Main Street, Cincinnati, Ohio.)

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Welfare (Poor Relief) Activities of Wyandotte County, Kansas.—Bureau of Governmental Research, Kansas City, Kansas, 1932. 63 pp. The frequently voiced opinion that the cost of welfare should be placed upon the taxpayers was partially responsible for the study of welfare activities described in this report. At present this cost is met by the governments of Kansas City and of Wyandotte County, by sixteen community chest agencies, and by private hospitals through minor charitable work. The report sets forth the methods and limitations of the tax-supported relief activities, and points out possible improvements in their operation so that further public support may be most effectively handled by the governmental units. Emphasis is put not only on efficient administration but on the use of existing competent private organizations as agencies of the government. Sound suggestions to these ends are made. Valuable appendices give proposed accounting records for the poor farm and the draft of a law for the establishment of county welfare departments in all counties over 140,000 population. (Apply to Bureau of Governmental Research, 727 Minnesota Avenue, Kansas City, Kansas.)

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Nuisances.—Ambrose Fuller. League of Minnesota Municipalities, 1932. 7 pp. The classification and control of nuisances is discussed in this brief reprint from *Minnesota Municipalities.* A proposed ordinance is included. (Apply to League of Minnesota Municipalities, University Library, Minneapolis. Price 10 cents.)

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Charges and Fees for Community Recreation Facilities.—National Recreation Association, New York, 1932. 158 pp. The rapid extension of recreation facilities through public park and school systems has created the serious problem of the extent to which such opportunities should be self-supporting. There are some forty-three such activities for which some cities charge fees. The bulk of this volume is devoted to a listing of such fees and charges in over one hundred cities of the United States and Canada. The study is made additionally useful by the inclusion of other pertinent statistical material and brief discussion of such factors as the effect of charges on use and participation, the disposition of revenue, the relation of fees to municipal accident liability and a summary of the principles and practices in use. (Apply to National Recreation Association, 315 Fourth Avenue, New York.)

JUDICIAL DECISIONS

REVIEWED BY C. W. TOOKE *Professor of Law, New York University*

Municipal Powers—Extent of Power of Municipalities to Contribute to Private Associations Organized to Promote Public Welfare—The general principle that a power granted to municipal corporations without limitation as to the method of its exercise carries with it the implied power to adopt such measures of execution as may seem best to the local governing body, frequently is applied to justify the appropriation of funds to private agencies that are engaged in a public work which the municipality is authorized to undertake directly. Thus the power to establish and maintain hospitals or libraries may be deemed sufficiently broad to sustain an appropriation to charitable organizations engaged in the same kind of work, and a power to spend money for advertising may be exercised by making contributions to a local chamber of commerce for that purpose.[1] This principle is necessarily limited, however, to contributions to those objects which come within the purview of the powers which are committed to the municipality in question.

The Supreme Court of Georgia in *Atlanta Chamber of Commerce* v. *McRae,* 163 S. E. 701, had before it the question whether the board of commissioners of Fulton County could make contributions to the Atlanta Chamber of Commerce, the city freight bureau, the convention and tourist bureau and the better business commission, all voluntary associations organized to promote the interests of the locality, to which the board had generously appropriated over thirty thousand dollars of the county funds. Under the Georgia constitution, (Art. 7, §6, ¶2) the general assembly's power to authorize counties to tax is limited to certain specified purposes, which would preclude the appropriations in question, but the organizations to be benefited pointed out that county funds derived from sources other than taxation were not subject to this limitation. Another section of the constitution (Art. 7, §16, ¶1), however, forbids the general assembly from authorizing "any donation or gratuity in favor of any person, corporation or association." The court intimates that this limitation applies to the exercise of any powers that may be granted to the local subdivisions of the state. The taxpayer's petition for an injunction was therefore sustained by the court. The court points out that in applying this rule it does not overlook the principle that express authority to the county board to do a particular thing implies the authority to employ such means as may be necessary to accomplish the act.

A similar decision holds that the city of Atlanta has no power to contribute money to the Municipal Rate Association of Georgia (*Stuart* v. *Atlanta,* 163 S. E. 493). The court in this case based its decision upon the ground that no authority had been granted the city to make such an appropriation. Beck, P. J. and Atkinson, J. dissented upon the ground that in their opinion the city's interest in rate making was sufficient in connection with municipal contracts and with service to its inhabitants to warrant the implication of the power to hire experts and even to contribute to the investigations of a private instrumentality. The apparent inconsistency in the reasons advanced by the court in these two decisions may be reconciled if we recall that in *Atlanta Chamber of Commerce* v. *McRae,* the contributions were for purposes which under the Georgia statutes were clearly beyond the scope of county functions, while in *Stuart* v. *Atlanta,* the proposed subsidy was to assist in an investigation which might possibly have a remote bearing upon the carrying out of other municipal powers. Under the principle announced by the court, cities may be expressly authorized by statute to engage directly in utility rate investigations or to contribute to associations engaged in such work. The power to contribute might be implied from an express power to make investigations which in turn might be implied from an express grant of power to regulate utility rates. The legal difficulty which confronted the court was that it did not appear that any of these powers had been expressly conferred upon the city, and that the existence of the implied power in issue was predicated upon the existence of some other vague power which at best was one that could be found only by implication.[2]

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[1] State ex rel. LaCrosse Public Library v. Bentley, 163 Wis. 632, 158 N. W. 306; Finan v. Cumberland, 154 Md. 563, 141 Atl. 269; Sacramento Chamber of Commerce v. Stephens, 290 Pac. 728.

In view of the severe criticism of the decision in the *Stuart* case by Dr. Bauer in the June issue of the REVIEW, it may not be amiss to point out that the courts are bound to follow the statutes and that there is no legal or political principle of construction by which they may extend the legislative powers of municipalities by piling up implication upon implication. Such a construction of legislative powers would subvert the foundations of local government. The exclusive control of public utility rate making in Georgia as in most other states is vested in the public service commission and not in the municipalities. It must be remembered, also, that in states where the power to regulate utility rates is committed to a state commission, a city has no interest or standing to complain or to intervene as a party to litigation over rates except so far as its rights as a consumer are concerned.[3]

The decisions of the Supreme Court of Georgia in these cases, therefore, seem to be consistent with sound legal and constitutional principles. The court simply refuses to usurp the functions of the legislature. It intimates that it will sustain an express legislative authority to donate money to a private organization to carry out a purpose which is within the scope of the delegated powers of the municipality. Whether such a power will be implied will depend upon the showing that it is reasonably essential to the exercise of some express power granted by the legislative branch of the government.

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Statutory Regulation of Wages of Employees on Public Works—CALIFORNIA UPHOLDS GENERAL LAW—NEW YORK LIMITS APPLICATION TO SPECIFIC CLASSES OF LABORERS. —The Supreme Court of California in a recent decision, *Metropolitan Water District of California* v. *Whitsett, as Chairman of the Board of Directors of the Metropolitan Water District of Southern California,* 10 Pac. (2d) 751, has affirmed the constitutionality of the Public Wage Statute of that state (Stats. 1931, p. 910), which requires the insertion in contracts upon public works that the contractor will pay the prevailing scales of wages for different classes of work in the community where the improvement lies. This act is quite similar in its provisions for administrative determination of the wage scales to that of Illinois, which was recently adjudged to be invalid by the Supreme Court of that state.[1]

In the instant case the same questions were raised as in the Illinois case, but the court holds that the act does not make an invalid delegation of the legislative power and fully sustains the power of the legislature to control the making of contracts by subordinate state agencies. The opinion of the court answers the objection that the power granted to the board to fix the wages to be paid employees upon public contracts is unlawful by saying that such acts no more involve a delegation of the legislative power than the act of prescribing the salaries and wages of its own officers and employees. The opinion is to be commended as a clear and complete discussion of similar legislation in other states and of the adjudications of the courts thereon.

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[2] The limitations upon the doctrine of implied powers of municipalities are well set forth in the dissenting opinion of Beck, P. J. and Gilbert, J. in City of Augusta v. Thomas, 159 Ga. 435, 126 S. E. 144. See, also, the recent decision of the Supreme Court of Ohio in Gorman v. Henck, 180 N. E. 67, which held that the County of Hamilton had no power to make a contract for expert advice with the Cincinnati Bureau of Municipal Research.

[3] City of New York v. New York Telephone Co. 261 U. S. 312; Morrell v. Brooklyn Gas Co., 231 N. Y. 405, 132 N. E. 130; Chicago v. Chicago Rapid Transit Co., 52 Sup. Ct. Rep. 2 [adv.], 76 L. ed. 34 [adv.].

[1] Mayhew v. Nelson, 346 Ill. 381, 178 N. E. 921. See note in the March, 1932 issue of this REVIEW, vol. XXI, p. 189.

In another decision handed down the same day, *City of Pasadena* v. *Charleville, City Manager,* 10 Pac. (2d) 745, the court decided that the statute discussed above does not take precedence over the provisions of the charters of home rule cities. As in the previous case, the issue arose upon the refusal of the local officials to execute a contract without compliance with the statutory requirements. Both the prevailing wage statute and that forbidding the employment of aliens on public works were involved in this case and singularly enough the latter statutory requirement was held to be superior to any charter provisions of the home rule cities. The reasoning by which these inconsistent conclusions were reached recalls to mind some of the earlier opinions of the same court where the question of the determination of home rule powers were first being worked out. It may be noted that the attorneys of some fifteen other cities joined those of Pasadena and were permitted to file briefs as friends of the court. Under such a barrage of authority, the court seems to have taken once again a new position upon the ever recurring question of the conflict between general statutes and home rule charters.

In *McCaffrey* v. *State of New York,* 259 N. Y. 159, the Court of Appeals of New York holds that that statutory provision requiring that state departments to pay the rate of wages prevailing in the locality cannot be applied to one whose employment is unique. The claimant was a lock tender on the barge canal and sued to recover the difference between the wages that he had received and what he contended was the prevailing rate for similar work in the locality. There being no other men employed as lock tenders, he took the position that he was a common laborer and showed that the wages he had been given were lower than those paid to ordinary workmen in that vicinity. The statute applicable thereto (Laws of 1899, Ch. 567) provides that the wages to be paid for a legal day's work "shall not be less than the prevailing rate for a day's work in the same trade or occupation in the locality" where such work is done.

The decision of the court in narrowly limiting the statute set forth to work of the same specific kind indicates an extremely literal construction and a failure to appreciate that the legislative intent was to set up a practical standard which would cover all cases. A dissenting opinion by Judge Crane, concurred in by Chief Judge Pound, states that the construction adopted by the court will render the statute meaningless if the prevailing rate to be paid laborers on the canals is to be determined by the wages of other lock laborers when no such class can possibly exist.

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State Control over Municipal Finance— Oklahoma System Held Not to Apply to Expenditures for Purely Local Purposes.—Among the various devices adopted in different states to control local finance, the legislature of Oklahoma has provided by statutes passed in 1917 and 1921 that each board of county commissioners, the mayor and council of each city or the officers exercising like power in any city having a charter form of government, the board of trustees of each incorporated town, the directors of each township, the board of education of each independent school district and the directors of each school district shall be required to make itemized statements of estimated needs and probable income from sources other than *ad valorem* taxation for running expenses for the current fiscal year. It requires such estimates to be published in some newspaper, or to be posted so that the people of the various tax paying units may be informed thereof and that after publication they shall be certified to the excise board of the county. It further requires each officer, board or commission of any county, city, township, and school districts or town, and all employees charged with the management or control of any department or institution, to make and file with the board or commission, charged with the duty of reporting to the excise board, a report in writing showing, by classes, the earnings and cost of maintaining their respective offices or departments for the previous fiscal year, together with an itemized statement and estimate of the probable needs thereof for the current or ensuing fiscal year. Their estimates and statements must also be transmitted to the excise board. The statute then provides that the county excise board "shall have power and authority to revise and correct" the estimates of the various municipal corporations "by either striking items therefrom, increasing or decreasing items thereof, or adding items thereto."

In a series of cases, recently decided, of which perhaps *City of Ardmore* v. *Excise Board of Carter County,* 8 Pac. (2d) 2, is of most interest, the question of the extent of the supervision thus established came before the Supreme Court of Oklahoma. The city of Ardmore, which under a general statute has the power to engage in the business of operating an airport and to acquire real estate within or without the city for this purpose, placed in its estimates an item of $5,000 for the lease of lands for an airport and the county excise board struck out this item. The court, in deciding that the board exceeded its powers and that a writ of mandamus to require the board to restore this item was proper, holds that so far as expenditures are concerned the power of the board is limited to the correction of mistakes and to keeping the municipality within the constitutional and statutory limitations upon taxation and indebtedness. As to expenditures for matters not strictly local, as for health, education and police, the court intimates that the power of the excise board is not thus limited, but that it may add items to take care of mandatory duties pertaining to such matters when imposed by statute.

Beyond this point it seems that the legislature is without power to prescribe any general administrative control over municipal expenditures. Under the Oklahoma decisions, which practically go to the extent of holding that any effective legislative supervision over municipal expenditures amounts to local taxation by the legislature and violates the constitutional immunities of home rule rights guaranteed to cities by the state constitution, it is difficult to see how municipal finances may be controlled in the interest of the state at large without the adoption of a constitutional amendment. That a strong sentiment already exists in favor of such a control is evident from the fact that three of the judges dissented from the judgment of the court in an opinion by Judge Lester, in which he says:

> The prodigal spending of the taxpayers' money for unnecessary governmental frills has brought distress and disaster to the tax paying public, and there should be a check against public officials who give no heed to the burdens that they pass upon the taxpayers by incurring unnecessary obligations.

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Sunday Baseball—BALTIMORE WINS EXCEPTION FROM GENERAL STATUTORY RESTRICTIONS.—The home rule power of the city of Baltimore to enact local police laws was affirmed by the Supreme Court of Maryland in its recent decision in the case of *Ness* v. *Ennis,* 160 Atl. 8. Under the general statute of the state restricting work and labor on Sunday, it was held in a well known case,[1] that the home rule charter of the city delegating to it the plenary police power in local matters was subject to the general law and that a municipal ordinance permitting the playing of ball games on Sunday where no admission fee was charged contravened the statute, since the games might be played by persons who earned their living in that way. This principle applied also to ordinances to be submitted to the people under the home rule amendment to the state constitution (Art. 11A) providing for the enactment of local laws, both charter amendments and local laws being expressly made subject to the general statutes in case of a conflict between them.

At the 1931 session of the legislature, the city of Baltimore was expressly excepted from the general law regulating Sunday observance by a statute which was to be effective only upon the enactment of an ordinance making local regulations to be approved by the electors at a general or special election. Thereupon the council proposed to submit to the electors at the primary election on May 3, 1932 an ordinance providing that specified amusements, games and sports for profit shall be permitted after 2 o'clock P.M. on Sundays and games for recreation only at any hour of the day and that retail sales within certain restrictions shall also be allowed.

In holding that the proceedings to restrain the Board of Elections from submitting the ordinance to the electors should be dismissed, the court says that the home rule charter of Baltimore is the measure of the powers of the city except so far as restricted by the constitution and general statutes, and that the action of the legislature in lifting the ban of the Sunday observance statute as to Baltimore left the city authorities free to exercise as to this matter the broad police power given by the charter and to enact such local laws as may seem to them best. The objection that making the statute effective only upon the adoption of the ordinance by the electors of the city was an unconstitutional delegation of the power of the legislature was met by the conclusion of the court that the act of the electors would be the adoption of a local as distinguished from a general law and hence not within the constitutional inhibition. To this extent the decision of the court in *Levering* v. *Board of Park Commissioners* is directly overruled.[1]

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[1] Levering v. Board of Park Commissioners, 134 Md. 48, 106 Atl. 176 (1919).

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Eminent Domain—STREET WIDENING—MEASURE OF DAMAGES TO OWNERS FOR LANDS EXPROPRIATED—In *Talbot* v. *City of Norfolk,* 163 S. E. 100, the Supreme Court of Virginia reaffirms the rule that an abutting owner from whose land a strip is taken for street widening is entitled to its fair market value without any deduction for benefits that may accrue to his remaining lands from the improvement. This decision conforms to the generally accepted rule, which provides that such benefits, if any, may be offset against the consequential damages to that part of the plot which remains or may be made the basis of special assessments against the owner, but may not be applied to deprive him of the just compensation required under the provisions of the state constitutions. This seems to be the only just rule of compensation, but under the pressure of extensive street widening programs has recently been abrogated in New York and Michigan, which now apply the rule that the damages are to be measured by the difference in value of the entire plot before and after the appropriation,[2] a rule which often works a serious injustice to owners from whom the most valuable part of their land is taken.

That the difference in value of the entire plot before and after taking is a just rule where all portions of the plot are of uniform value, as in the case of farming lands, is without question. In *State* v. *Day*, 47 S. W. (2d) 147, the Supreme Court of Missouri properly applies the rule to such an appropriation. The effect of applying the rule under other conditions is set forth with convincing particularity by the Supreme Court of Minnesota in *In re Improvement of Third Avenue,* 177 Minn. 159, 225 N. W. 92. Unfortunately for the landowner who is subjected to loss by the application of the whole lot rule, he can claim no protection from the federal courts under the Fourteenth Amendment merely because the rule of damages adopted by the state court happens to work a special injustice in his case.[3]

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Municipal Ownership—TOWNS IN LOUISIANA HELD WITHOUT POWER TO ENGAGE IN GENERAL PUBLIC UTILITY GAS BUSINESS.—In *Peoples Gas Company* v. *Town of Ruston* 141 So. 36, the Supreme Court of Louisiana recently reversed an order of the trial court dismissing the petition of the plaintiff who sought to enjoin the issue of $180,000 of bonds voted by the town for the purpose of acquiring and developing natural gas properties, constructing a distributing system and selling gas to its inhabitants. The court holds that towns have no power to go into such a business without express legislative authority and that the power conferred upon municipal corporations to purchase, erect and operate a "gas light plant" and to issue bonds for purchasing or constructing "light and power plants, gas plants" is not sufficient to sustain the contention of the defendant. Another statute of the state (Act No. 70, §1, Ex. Sess. of 1921) expressly conferred upon parishes and municipalities the power to engage in a general public utility gas business, but the court held that because the defendant did not rely upon such statute in its argument, a discussion of the applicability of that section to the issues involved would be "purely academic."

This position of the court must be due to peculiar rules of procedure in that jurisdiction, for we are not aware of any other decision in which a court has refused to take judicial notice and apply general statutes conferring local powers because of a failure of a party to plead or expressly rely upon them. As a result of this decision we are informed that a bill has been introduced in the Louisiana legislature expressly conferring the powers sought to be exercised by the defendant upon the municipalities of the state, and that another bill will be introduced placing companies producing natural gas within the state under the control of the Public Service Commission and making compulsory the sale of gas from pipe lines to municipalities within twenty miles.[1]

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[1] The proposed ordinance was submitted to the voters on May 3, 1932 and was adopted by a vote of nearly four to one, having received a plurality of 83,322.

[2] Matter of City of New York [Fourth Avenue] 255 N. Y. 25, 173 N. E. 110, certiorari denied, 283 U. S. 860; In re Bagley Avenue, 248 Mich. 13, 226 N. W. 690.

[3] Crane v. Hahlo, 258 U. S. 147.

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Contracts—LETTING TO LOWEST RESPONSIBLE BIDDER—NOT REQUIRED IN ABSENCE OF STATUTE.—The statutory requirement that municipal contracts shall be let to the lowest responsible bidder has become so general and the adjudications supporting a strict compliance therewith so common that it is not strange that the impression prevails in some quarters that even without a statutory mandate the local contracting authority must comply with the same requirement. In two recent decisions of the highest courts of Massachusetts and Utah, *Archambault* v. *Mayor of Lowell,* 180 N. E. 157, and *Schulte* v. *Salt Lake City,* 10 Pac. (2d) 625, the court sustained the acts of the respective local authorities in awarding contracts to other than the lowest bidder and refused to control the exercise of the discretion given to them, untrammelled by the ordinary statutory restriction.

In each case the court vindicates the general rule that the auxiliary power of local authorities to contract carries with it the discretion to act as may seem to them in the best interests of the public. With such decision the courts will not interfere in the absence of proof of bad faith, fraud, collusion, corruption or palpable abuse of their discretion. A review of the earlier cases on this point may be found in a note in 38 L. R. A. (N.S.) 659 to *Butler* v. *Printing Commissions,* 68 W. Va. 493, 70 S. E. 119.

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Home Rule—DOCTRINE OF THE INHERENT RIGHT TO LOCAL SELF-GOVERNMENT.—The power of the state legislature to withdraw local governmental functions from a municipality and vest them in a state board came before the Supreme Court of Rhode Island in *City of Providence* v. *Mounton,* 160 Atl. 75. In this case the petitioner attacked a statute effective April 10, 1931 (Pub. Laws 1931, Ch. 1910) which created a board of public safety for the city of Providence and conferred upon it the powers formerly exercised by the municipal police, fire and public service engineer departments, with broad legislative executive and judicial powers. In affirming the plenary control of the legislature over local government, unless restricted by the state constitution, the court reviews exhaustively not only the well known decisions in that state,[1] but also those in other jurisdictions. The opinion is very valuable to students of political science, who may be interested in the legal aspects of the controversy over the question of inherent rights of local self-government, which was finally put to rest by the Supreme Court in *Trenton* v. *New Jersey,* 262 U. S. 182.

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Public Utilities—RIGHTS UPON EXPIRATION OF FRANCHISE UNDER THE OHIO STATUTES.—The Supreme Court of Ohio in *Lake Shore Electric Railway Co.* v. *State,* 180 N.E. 540, had before it recently the question as to how far the power of the courts could be invoked by a city to get rid of the use of its streets by an interurban trolley company whose local franchise had expired several years previously. By a statute enacted since the city of Bellevue had granted the company a franchise in the streets, no interurban railroad can be required to abandon its tracks, unless first the municipality has made an application to the state public utilities commission and secured its consent.

The court, reversing a judgment below, holds that this statute is mandatory and that no action in quo warranto to oust an interurban railway from its franchises can be prosecuted, unless the statutory consent of the public service commission is first obtained. The paramount control of the state over the use of streets and highways and over transportation is a fundamental principle and all local powers and rights therein, even those of home rule cities, must yield to the general policy of the state as expressed in its statutes.

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[1] Letter of Mr. Allen Barsdale of Ruston dated May 30, 1932.

[1] Newport v. Horton, 22 R. I. 196, 47 Atl. 312; Horton v. Newport, 27 R. I. 283, 61 Atl. 759.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY DARRELL H. SMITH *Secretary-Treasurer, G. R. A.*

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since May 1, 1932:

Bureau of Municipal Research of Philadelphia, for Thomas Skelton Harrison Foundation:
Medical Department of the Municipal Court of Philadelphia.

St. Louis Bureau of Municipal Research:
Survey of Motor Equipment.

Bureau of Public Administration, League of Virginia Municipalities:
Pension and Retirement Plan for Virginia Cities.

Municipal Reference Bureau, League of Virginia Municipalities:
Inspection of Gasoline, Motor Oil and Dispensing Equipment in Virginia Cities.
License Taxes on Barber Shops, Hairdressers, and Manicurists in Virginia Municipalities.
Proposed Police Schools in Virginia.

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The Thomas Skelton Harrison Foundation has recently published a report of the Bureau of Municipal Research of Philadelphia on the "Medical Department of the Municipal Court of Philadelphia." This is the eleventh report in the Foundation's Municipal Court Survey Series. Ralph P. Truitt, M.D., is the author.

The medical department serves all divisions of the municipal court. It offers general medical, pediatric, ophthalmologic, gynecologic, neuro-psychiatric, psychologic, dental, and bacteriological examinations. Nurses are available for follow-up work. A nursery for children of parents attending court is also under the care of the department.

The Bureau's report treats of the history and purposes of the medical department; its organization, personnel, and quarters; the method of reference and the number of cases referred by the various divisions; the volume of work and filing of records; and the quality of the service. A final chapter suggests a plan for reorganization of the department to perform a more useful service. Six complete case records and a synopsis of 200 case records are included in the appendices.

The author's major criticism of the department is its predominantly organic point of view, and its neglect of neuro-psychiatric work.

Copies of the report are available free of charge upon application to the Bureau of Municipal Research, 311 South Juniper Street, Philadelphia.

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The Bureau for Government Research of West Virginia University, John F. Sly, director, has undertaken a systematic survey of state and local government in West Virginia. The project is being financed jointly by the University and by the West Virginia Taxpayers' Association, Edwin M. Keatley, secretary, with headquarters at Charleston. The program calls for a series of three reports covering the structure, service and finance of local, municipal, and state government within the state, the first of which deals with the county and its minor subdivisions. Two additional reports covering municipal and state government are parts of the major program to be completed within the next biennium.

NOTES AND EVENTS

Twenty-six Mayors Meet to Ask Federal Aid.—Viewing Uncle Sam as a willing Santa Claus, 26 mayors, out of 67 invited, met at Detroit with Mayor Frank Murphy June 1, and by resolution demanded that Congress immediately arrange a $5,000,000,000 loan for construction purposes, pass bills authorizing the Reconstruction Finance Corporation to extend its credit to cities, and authorize the corporation to buy re-funding bonds issued by cities. Headed by Mayors Murphy of Detroit and Curley of Boston, a committee of seven have presented the resolutions at Washington.

Jimmy Walker, mayor of New York, and "head-liner in the biggest troupe of municipal executives ever exhibited on one stage," according to the *Free Press,* fairly symbolized the theatrical-political aim and atmosphere of the gathering. Socialist Hoan of Milwaukee, backed by a long, consistent record, urged unanimous action when two dissenters, Marvin of Syracuse and Bright of Richmond, Va., spoke in opposition. "In most cases," said Marvin, "a balanced city budget requires executive courage more than federal financial aid. We must make sure the proposed relief is for the jobless, not for the politicians."

Detroiters were told that the conference was called by Mayor Murphy on request of the Hearst newspapers and the attendance lent color to that opinion. Of the 26 guest-mayors, 20 were Democrats, four were Republicans, one was a Socialist and one a Farmer-Laborite. Mayor Begole of Denver, the one representative of the far west, differed with Curley of Boston when the latter talked of possible revolution and the duty of the federal government. While the majority assumed, with the resolutions, the "unlimited credit" of the national government, Begole insisted that in the last analysis city government is a local problem, to be solved at home. "We should not further complicate our national financial crisis," said he, "by another demand on federal resources that do not exist."

In popular attention and press reports naturally Jimmy Walker "hogged the show." Besides his valet and barber, he was accompanied by Dudley Field Malone and three other New York officials. On being met at the station, Jimmy seemed a trifle disappointed by the meager size of the committee headed by Mayor Murphy. Other stars in the galaxy were Mayor Miller of Cleveland, the original General Jacob S. Coxey, now mayor of Massilon, Ohio, City Manager Welsh of Grand Rapids, Michigan, a potential candidate for governor who is at outs with the present administration, and the notorious "Bill" McKeighan of Flint, recently acquitted in the federal court on a charge of conspiring with boot-leggers.

W. P. Lovett.

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Atlantic City Reduces Taxes.— Atlantic City's tax rate for this year represents a reduction of 41.6 points or 12.5 per cent under 1931. In dollars the cut means $1,057,813 savings to the taxpayers. It follows a reduction of more than $900,000 in 1931, and signifies a total saving of $2,000,000 (more than 20 per cent) under the 1930 tax levy. Seven hundred and sixteen thousand dollars were saved by the city government. The city school tax was reduced $166,000. The rest of the saving came from $127,000 reduction in the state property tax and $47,000 reduction in the county tax.

To the Atlantic City Survey Commission, which began an active program for economy three years ago, much of the credit is due. Its first move was a study to determine where economies could be made and improvements in administration effected. The development of a modern budget procedure was seen as the necessary first step in the economy program, and much of the credit is due to a sound budget system.

Howard G. Fishack, director of the Atlantic City Survey Commission, reports that the city has yet a good way to go before ideal conditions are attained. Nevertheless, the accomplishment to date should be encouraging to Atlantic City and inspiring to other municipalities seeking to reduce their expenditures without impairing essential services.

*

Indianapolis News Wins Pulitzer Award for Tax Reduction Campaign.— The Pulitzer prize "for the most disinterested and meritorious public service rendered by an American newspaper" during 1931 was awarded to the Indianapolis *News* for its campaign for efficiency and economy in government. On August 1, 1930, says the announcement by Columbia University, the *News* launched a campaign to eliminate waste and reduce taxes in local government. This campaign continued for approximately eighteen months, and was successful to a marked degree. Exhaustive studies were made, and the news and editorial departments of the paper were mobilized in a convincing display of arguments for reduced public expenditures. The Indiana Taxpayers' Association coöperated by furnishing the statistical material upon which several phases of the campaign were based.

We congratulate the *News* upon this national recognition of a notable accomplishment in the field of local affairs.

*

Results of Milwaukee Election.—The 1932 municipal election was the greatest Socialist victory since 1910. For the two years of 1910 and 1911 the Socialists numbered 20 out of 35 aldermen and their members held the four elective administrative offices—only to be dispossessed in 1912. Since 1916 the mayor has been the only Socialist elected to the executive offices and at no time in this interval has the Socialist party controlled a majority vote of the common council. This spring, however, they carried three of the four executive offices, and 12 aldermen out of 27. Although lacking two votes to muster a majority, with the aid of two "independents" they were able to elect their member president of the common council (replacing a nonpartisan who had held that position for 20 years) and to organize the committees.

The mayor's message contained the suggestion that a municipal bank be organized. Plans for state legislation are now being made. It has not been announced whether the institution would be founded on the national or state banking plan. The newspapers credit Mayor Hoan with the suggestion that the bank be authorized to issue loans for the construction of small homes, and that interest on deposits be paid on the basis of profits earned rather than at a set figure.

Still another plan has been advanced by C. B. Whitnall, one of the leading Socialists in this city, to the effect that Congress be memorialized to accept Milwaukee's bonds as collateral for a like amount in currency on the same terms as it now accepts from national banks the federal bonds for which the United States treasurer issues the national bank notes.

Paula Lynagh.

Citizens' Bureau of Milwaukee.

*

Milwaukee's Finances After the Mayoralty Election.— A *Milwaukee Journal* May 25 editorial reads "A few months ago Milwaukee got a lot of national publicity because it had a nice bank balance. Today taxpayers and city officials are discussing means to avert an empty treasury."

The city is within 21 per cent of lagging an entire tax levy in its collections. The total tax certificates outstanding on March 31 were $10,265,461. Taxes extended for six months carrying 5 per cent interest per annum, amounted to $7,509,369, and outstanding special assessment installments totaled $4,367,766. In other word, the city's accounts receivable amounts to $22,142,596, or 79 per cent of its $28,077,717 current tax levy for city and special assessment purposes. The city had a $6,622,218 bank balance on May 7, consisting entirely of the unused proceeds of bond issues intended for specific permanent improvements in progress. The general fund already owes $2,000,000 to bond funds.

The county, which assumes all the institutional and outdoor relief activities, has borrowed $5,000,000 this year, consisting of $2,500,000 of short-term notes (payable in 1933) and $2,500,000 of emergency relief bonds. On the other side of the ledger it is owed $4,998,331 by the cities, villages, and towns (primarily in delinquent taxes) for county and metropolitan sewerage system purposes. Sixty-nine per cent of the total $10,111,228 tax levy for county, metropolitan sewerage system and state purposes have been paid as of March 22.

The board of estimate of the common council is meeting several times a week endeavoring to pare down the 1932 expenditures.

PAULA LYNAGH.

*

The Milwaukee Mayor's Advisory Council.—At the request of Mayor D. W. Hoan, business, service and civic associations in Milwaukee elected delegates to form the Mayor's Advisory Council in March, 1930. At present the council consists of 42 persons representing the same number of organizations. Among them are 10 noon luncheon or service clubs, the Rotary Club being the only one not represented. Among the more important associations which send a delegate are the Milwaukee Real Estate Board, the City Club, the Engineers' Society of Milwaukee and Old Settlers' Club.

The purpose of the council, which works through committees, is to investigate municipal projects and questions involving municipal policies and to submit reports. The council is supposed to act as a sort of liason body between the public and the mayor. In effect the council has usually supported the mayor's position. In some cases complicated subjects which require expert technical advice have been hastily studied and reported upon.

A majority of the delegates, 24 altogether, represent small neighborhood groups of business men formed to promote the business interests of a small section of the city. The large size of the group, with the fact that usually the delegate has to report back to his local group for its opinion, makes the council somewhat unwieldy.

The charge has been made that the real purpose behind the group is political, but this is denied by its officers. Some of the members would not aid any such purpose. Difficulty has been found in maintaining attendance at general meetings.

J. E. HARRIS.

*

Milwaukee's New Condemnation and Benefit Assessment Law.—A comprehensive condemnation and benefit assessment law was passsed by the 1931 legislature subject to adoption at referendum by cities of the first class (Milwaukee is the only Wisconsin city in the class). The law was accepted by a two to one vote at the Milwaukee 1932 spring election.

The act provides a procedure whereby the city may acquire any property by gift, purchase, or condemnation for any municipal purpose, including excess condemnation, determine the damages, and assess the benefits. A full-time board of assessors is created to be appointed for three-year terms (rotation provided) by the mayor, subject to confirmation of the common council. Clerical assistance and technical advisers and experts are provided. The board of assessors may also call upon other city officials for assistance.

Milwaukee has a tax assessor in charge of real and personal property assessments, and a special assessment division in the department of public works for the sewer, paving, water mains, etc., assessments. The board of assessors will have jurisdiction over special assessments for projects involving the acquisition of additional land.

The jury established in the law is required by the state constitution. Before the common council can approve a project (three-fourths vote required), the board of assessors must submit a tentative plan of the proposed improvement, an estimate of the cost, maps of the property to be taken, maps of the benefit district showing samples of the maximum and minimum benefit assessment per front foot. The law contemplates that special assessments will be levied prior to the completion of the physical improvement. One-tenth of its 33 pages are devoted to listing the property owned by public and charitable organizations exempt from special assessment levies.

"General" special improvement bonds, and "particular" special improvement bonds may be issued. The former are payable from the special assessment installments collected from one or more projects, while the latter are issued against the specific property for the amount of the assessments and in case of a default may be foreclosed against that specific property. In addition, the city may issue general obligation bonds to pay for the property involved in the opening and widening of streets, and parkways, in the first instance, and then issue the special improvement bonds to itself and apply the installment payments as collected to the payment of interest and principal of the general obligation bonds.

The law contains a retroactive provision under which it is hoped to recoup part of the costs of a down town street widening, civic center, and park extension project started in 1920 and now in the half and half stage.

Paula Lynagh.

*

Louisville's New Form of Government.—The short ballot and concentration of responsibilities are the key notes in the new form of government which has been in operation in Louisville since January, 1930. The ballot was shortened to the constitutional limits, the people now electing only the mayor, the twelve aldermen, the comptroller and inspector, the police judge and the board of education.

Power and responsibility have been placed squarely upon the shoulders of the mayor, who has wide appointive and directory powers. Most administrative divisions are grouped under six departments, law, public works, public safety, public finance, public health, and public welfare. The directors of these departments are appointed by the mayor and hold office at his pleasure.

Administrative boards and commissions outside of these six departments, appointed by the mayor with practically no restriction, include the civil service board, board of water works, library board, board of trustees of the University of Louisville, bridge commission, board of park commissioners, city planning and zoning commission and the inspector of gas and electricity. The Louisville and Jefferson County air board and the Louisville and Jefferson County children's home board are appointed by the mayor and county judge. With the exception of the board of trustees of the University of Louisville the members of these boards and commissions hold office for four years, their tenure being coterminous with that of the mayor. The mayor is ex officio member of six of these boards.

The members of the board of aldermen are elected for a two-year term. Each of the twelve wards is represented by one member, although election is by the city at large. The board of aldermen elect one city official, the assessor, and two boards, the board of sinking fund commissioners, and the board of equalization.

The comptroller and inspector is elected by the people for a four-year term, but in the alternate election to that of the mayor. The comptroller and inspector appoints the city accountant and members of the accounting staff. The police judge, elected for a four-year term, appoints the clerk of the police court and other officials of the court with the exception of the prosecuting attorney and the bailiff.

The power of the mayor extends to the legislative branch. A veto of ordinances or of individual items in appropriation bills can be overridden only by a two-thirds vote of the council. The directors of the departments, appointed by the mayor, have seats in the council meetings, and may take part in the proceedings, but have no power to vote.

There is little check upon the mayor's administrative powers. The council can exert no great power. Removal is extremely difficult. Under the party system of government the comptroller and inspector will be either of the same political faith as the mayor and provide little control or of the opposite political faith and possibly use his office so as to hinder and embarrass the mayor in his administrative leadership. The first election of comptroller and inspector will be in November, the present incumbent having been appointed by the mayor to serve for two years.

The present system has been satisfactory during the brief period of its existence. There is no agitation toward a change. Louisville is fortunate in having a mayor who is capable of carrying the responsibility of the office, and who apparently has the confidence and support of a majority of citizens. The question and fear often expressed is what might happen under less capable and less honest leadership.

Under the present form of government the mayor must be an active politician and he should also be a capable administrator and manager. Seldom are these qualities present in the same person. The direct election of a city manager has never been considered advisable. However, with the shortening of the ballot and the centralization of responsibility it was the hope of the charter framers that the people would carefully consider their vote for mayor.

Kenneth P. Vincel.

University of Louisville.

Executive Control of Independent Officials in Washington.—The governor of Washington has a weapon with which he may threaten and coerce the elected and otherwise independent executive officials. Through the director of efficiency, whom he can remove at will, he can order such investigations of practices and financial transactions of any state office as he thinks advisable.[1] This power, usual enough in the several states, is given a new significance in Washington by the peculiar conditions surrounding it. The statutes provide that the cost of the investigation must be defrayed by the office investigated from its appropriations for services. Under cover of the always plausible excuse of investigating irregularities, the governor is thus able to decrease the funds of a legally independent official in a manner that will not appear in the budget or the biennial financial statements as they are now published.

Under such an arrangement, an official may be given the choice of acting in accordance with the desires of the governor or facing the possibility of an investigation. Even though no irregularities might be uncovered, the mere fact that an investigation was being made would be sufficient cause for popular suspicion of the conduct of the official, and what is equally important, the official's staff would be reduced or restricted by the depletion of his salary appropriations. Forced to make such a choice, the official might well be expected to submit to the governor's desires unless excellent reasons led him to do otherwise.

A few examples of the uses to which Governor Hartley has put this investigatory power in his seven years' conflict with certain elected officials will suffice to indicate its possibilities as a coercive instrument. The office of one elected official, who employs ten persons and handles but little money, was recently investigated for over a month, at a cost to him of almost $300. Shortly afterward the official was notified by the department of efficiency, acting in the capacity of budgetary control office, that he would have to reduce his rate of expenditure or overdraw his appropriation for salaries by about $300—almost the exact amount of the cost of the investigation. The office of another elected official has been the subject of several investigations in the past seven years. One of the more recent took eleven months, continuously employing three or more men at a cost of about $750 a month. The enormous bill incurred was evaded by the official, who refused to pay it because he had no appropriation for doing so. In this particular instance he seems to have been more fortunate than usual. A third, semi-independent office was recently investigated at a cost of $50, which amount was deducted from the salaries of its three already underpaid employees.

Repeated applications for budget appropriations with which to defray the costs of expected investigations have been made by the two elected officials referred to, but have always been denied by the governor, who apparently prefers that the cost of his investigations be felt by the offices investigated.

According to the figures of the department of efficiency, some 270 audits and investigations, "some of them regular, periodic audits," have been made by its men since 1921, when the department was created. While it would be unfair to claim that all, or even many of the investigations were made for political purposes, as seem to have been those mentioned, there is reason to believe that a considerable number were.

A complete description of this power must include an evaluation of its effectiveness, its merits, and its weak points. Such a judgment is very hard to make, however, because of the strong feelings about it on the part of those affected. While the reactions of the officials against whom it has been used indicate the telling effect it has, they cannot give us a basis on which to say that it is really effective in forcing action, because an official may resist even the heaviest pressure the governor can bring to bear upon him. It is very evident that this form of financial attack creates a deep resentment that is not conducive to the coöperation so necessary to efficient administration, but if used as a last resort in cases in which all possibility of coöperation has already disappeared, this ceases to be a valid objection to its use. As an emergency weapon in the hands of the governor, it is of definite value, but it is hardly to be recommended as an everyday instrument with which to extend the governor's control.

---

[1] The director is the governor's staff agent and has, in addition to powers concerning budgetary control, personnel classification, etc., the power to examine into the financial affairs of every state office, both as auditor and as investigator, and to make efficiency surveys. This authority is reinforced by the power to issue *subpoenae duces tecum*, and to take oaths.

George S. Roche.

*

Change of Name.— At its annual convention in Washington last month, the International Association of Comptrollers and Accounting Officers changed its name to the Municipal Finance Officers' Association of the United States and Canada. The Association will continue the *Comptroller* as a quarterly magazine and will publish a semi-monthly news letter for its membership.

*

Lexington's Experience with a City Manager.—The city manager form of government is new in Kentucky. Under the law, only second class cities (of which there are five) are allowed this type of government. Lexington, Covington and Newport began their city manager regime on January 4, 1932. Ashland voted for the city manager form, but it will not go into effect until 1934. Paducah continues with the old form of commission government.

The commission form of government, under which Lexington had been living for twenty years, was reasonably satisfactory. But when the question was put to a vote in 1930 whether Lexington should have the city manager plan, the decision was overwhelmingly in favor of it.

When the time came to elect a new commission in the fall of 1931, the old commissioners came back into the picture. They had not openly fought the manager plan. Some of them had even signed the petitions favoring it. Four of the five members of the old commission announced themselves as candidates. The outgoing mayor, who had been in the services of the city for some thirty years, did not announce. It was a matter of common gossip that if the old commissioners were elected to office, the outgoing mayor would be chosen manager, though this was never publicly announced and did not go further than the gossip stage.

The Charter League, which had waged the battle to make a city manager possible, picked a slate of business men. At first it was thought the Charter slate would win in a walk, but it turned out to be a much harder fight than they had expected. They won, however, in spite of their mistakes.

From a list of more than a hundred applications of all sorts and sizes, Paul Morton was finally selected to be manager. Morton was then manager of Petersburg, Virginia, but is a native of Kentucky.

The latter part of December Morton came to Lexington and spent several days going over the layout. Before he left the city, he notified several of the old employees that due to the reorganization of the city government under the manager form, their services would be no longer needed. This, of course, did not apply to firemen or policemen, or any employees under civil service. In fact, the number of employees who were dismissed was not in excess of 10 per cent of the total. With these preliminaries, the decks were cleared for the opening of the new regime on January 4, 1932.

One of the first orders issued by the new manager was that the working day should be eight hours for all employees of city hall. Under the old regime, city offices were opened at nine and closed at four. Morton's order was that the offices should open at eight and close at five. By this order he increased the working hours of city employees 33 per cent. The public seemed to catch the point and accepted the move with approval.

Wage scales were readjusted, some of them downward, though there was no general slashing of wages of the city employees. For the most part the daily or monthly wage remained the same as under the old regime.

The next significant thing that came to public notice was the official publication of the minutes of the board meetings. Instead of depending upon the usual method of allowing a newspaper to carry the story of what went on in the meetings, the city manager caused the minutes to be published in one of the daily papers. This was something different. The people had a chance to know what their government was doing officially. Under the old regime, reporters from the press came to the board meetings and usually went back to their papers with a story. Under this new regime the news reporter can still get his story. He can still look for his sensation, if any, but at the same time the public is assured of the facts whether they are in the newspaper story or not.

After a month or so the news appeared in the papers that police schools were being held which all policemen were compelled to attend.

A thorough audit of the city's affairs by Ernst and Ernst was ordered, and the result published. This audit showed, among other things, that there was considerable carelessness and laxity in keeping the city's accounts. As a result a new auditing system is being installed whereby every item paid out by the treasurer is accompanied by a voucher stating for what purpose the payment is made.

The collection of back taxes was placed in the hands of a salaried official, and the old percentage system of collection done away with.

Then came the budget. The budget was prepared and submitted to the commission on February 23 by Manager Morton. It was a sixty-page document published in booklet form. A sufficient number of them were published so that any citizen who desired could obtain a copy. The budget carried a tax rate reduction of 12 cents. The old rate was $2.62; the new rate $2.50. The actual saving in dollars and cents was $70,000, with no apparent crippling of the city's ordinary services. On the contrary, the city manager incorporated in the budget an additional $12,000 for the equipment of a police radio broadcasting system and police cars equipped with radio receiving sets.

The manager reports that in the limited time he had been in office it has not been possible to make an exhaustive study of the system and operation of the several departments with a view of further reducing the cost and increasing the efficiency of the city government, but that the budget system is such that when additional economies develop, savings can immediately be placed in effect, and that expenditures estimated will not be made if it develops that they can be avoided.

All of these things have happened in the first two months of city manager government in Lexington. It is not yet known what the public thinks of the present project. The newspapers have been warm in their approval of the budget and of the tax reduction. Indeed, up to this time they have been warm in their general approval of the conduct of the city government under the new management.

J. Catron Jones.

*

Two Rivers Retains Manager Form.—The people of Two Rivers, Wisconsin, decided on April 5 that their eight years' experience with the city manager plan had been satisfactory and refused by vote of more than two to one to abandon it. No organized campaign for the retention of the manager form developed until about two weeks before the referendum election. At this time a municipal voters' league was formed for the purpose of explaining the issues to the people. A week later a good government committee was created to sponsor actively the city manager plan, and about the same time the manager's annual report appeared, summarizing municipal improvements made since the introduction of the manager form. There was very little mud-slinging and the city manager was not publicly drawn into it at any time. Two Rivers now looks forward to a long period of rest from agitation against the existing system of government.

*

The Political Science Association of Pennsylvania held its Second Annual Conference at Harrisburg on May 6 and 7. Discussion was directed to the problems of financial administration in a day of economic distress. For the most part the speakers were fiscal and budget officers of the state government. Professor W. Brooke Graves of Temple University was secretary of the Conference.

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CONTENTS FOR AUGUST

TENTATIVE PROGRAM OF THE THIRTY-EIGHTH ANNUAL MEETING ....
UNREST IN COUNTY GOVERNMENT .... *Howard P. Jones* 469
FINANCING GOVERNMENTAL SERVICES IN RURAL AREAS *Paul W. Wager* 473
PEOPLE V. EMPTY ACRES: A PROBLEM IN RURAL GOVERNMENT *Philip H. Cornick* 477
RURAL AREAS FOR RURAL GOVERNMENT .... *Theodore B. Manny* 481
THE COUNTY'S PLACE IN LARGE URBAN AREAS .... *R. C. Atkinson* 484
COUNTY GOVERNMENT AND STATE CENTRALIZATION .. *Kirk H. Porter* 489
NORTH CAROLINA CENTRALIZES .... *Paul V. Betters* 493
THE COUNTY, THE LOGICAL PUBLIC HEALTH UNIT .... *M. E. Barnes* 499
THE INDIANA TOWNSHIP—AN ANACHRONISM .... *Frank G. Bates* 502
PLANNING FOR IMPROVED COUNTY GOVERNMENT IN VIRGINIA *Robert H. Tucker* 505
THE PROGRESS OF COUNTY CONSOLIDATION .... *J. W. Manning* 510
FUNCTIONAL REALIGNMENT VS. COUNTY CONSOLIDATION *Conrad H. Hammer* 515
THE LEAGUE'S COMMITTEE ON COUNTY GOVERNMENT .. *John A. Fairlie* 519
A BIBLIOGRAPHY ON COUNTY GOVERNMENT .... *Ina Clement* 521
CONSTITUTIONAL BARRIERS TO IMPROVEMENT IN COUNTY GOVERNMENT—A SUPPLEMENT .... *Howard P. Jones* 525

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals* and in *Public Affairs Information Service* and by the *Engineering Index Service*

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THE LEAGUE'S BUSINESS

Nomination of Officers for 1933.—The Committee on Nominations has nominated the following officers for 1933, subject to election at the annual meeting of the National Municipal League during the thirty-eighth annual convention in Washington, D. C., on September 19, 20 and 21:

President, Murray Seasongood, Cincinnati; *First Vice-President,* Louis Brownlow, Chicago; *Second Vice-President,* Mrs. F. Louis Slade, New York; *Honorary Vice Presidents,* Henry J. Allen, Wichita, Kansas; Charles A. Beard, New Milford, Conn.; Harry F. Byrd, Winchester, Va.; Frederic A. Delano, Washington, D. C.; Samuel S. Fels, Philadelphia; John M. Gries, Washington, D. C.; A. R. Hatton, Evanston, Ill.; John R. Haynes, Los Angeles; Frank O. Lowden, Oregon, Ill.; C. E. Merriam, Chicago; W. B. Munro, Pasadena; Frank L. Polk, New York; Thomas H. Reed, Ann Arbor, Mich.; Chester H. Rowell, Berkeley, Cal.; Samuel Seabury, New York; Miss Belle Sherwin, Washington, D. C.; Silas H. Strawn, Chicago; A. Leo Weil, Pittsburgh. *Council*: Harold S. Buttenheim, New York; Mayo Fesler, Cleveland; Raymond V. Ingersoll, New York; Morris B. Lambie, Minneapolis; William P. Lovett, Detroit; Mrs. Virgil Loeb, St. Louis; Henry L. Shattuck, Boston; C. O. Sherrill, Cincinnati; Henry M. Waite, Cincinnati; Morton L. Wallerstein, Richmond, Va.

* * *

Proposed Revision of the Constitution.—The Committee on Nominations was also asked by the president to suggest revisions in the constitution of the National Municipal League. At the annual meeting in Washington in September the Committee will recommend the adoption of a new constitution which in general embodies only those changes necessary to bring the organization policy in line with present practice. The principal changes to be recommended by the committee are as follows:

1. The present constitution now provides three classes of membership. The committee recommends that five classes be provided as follows: active ($5); sustaining ($10); contributing ($25 and upward); patron ($100 and upward); and honorary life members exempt from payment of dues.

2. The constitution now provides that the president *shall* be chairman of the council. The committee recommends that the constitution provide that the president *may or may not be* chairman of the council.

3. The committee recommends that the officers of the League be as follows: a president, a first vice-president, a second vice-president, a council of thirty members, not more than twenty-five regional and honorary vice-presidents, a treasurer, and a secretary.

4. The committee recommends that the executive committee shall carry on the affairs of the League between meetings of the council, but subject to its *approval;* the constitution now provides that the executive committee shall be subject to the *direction* of the council.

5. The committee recommends that the president shall appoint all committees subject to confirmation by the council or executive committee.

6. A nominating committee of five members who shall report at least thirty days before the annual meeting is recommended instead of a committee of nine members to report sixty days before the meeting.

7. The constitution now provides that the council shall have power to fix the date of the annual meeting. The committee recommends that the executive committee be given joint authority with the council over this subject.

8. It is recommended that the treasurer may at his option draw checks in favor of the secretary, to be disbursed in turn by checks signed by the secretary provided such disbursements are authorized by the council or executive committee. This has been the practice for many years past although not specifically authorized by the constitution.

The Committee on Nominations and Revision of the Constitution has the following personnel: Howard Strong, Wilkes-Barre, Pa., *chairman;* J. Catron Jones, Lexington, Ky.; Morris B. Lambie, Minneapolis; and A. Leo Weil, Pittsburgh, Pa.

Russell Forbes, *Secretary.*

TENTATIVE PROGRAM

38th Annual Meeting, National Municipal League

Willard Hotel, Washington, D. C., September 19, 20 and 21

General Subject: **PAYING FOR LOCAL GOVERNMENT DURING DEPRESSION**

The Hon. Murray Seasongood, president of the National Municipal League, and former Mayor of Cincinnati, will preside at all sessions.

All meetings open to the public. Visitors and members are cordially invited to join in the discussion.

MONDAY, SEPTEMBER 19

9:00 a.m. REGISTRATION.

10:00 a.m. COMMITTEE MEETINGS, National Municipal League (to be arranged).

12:30 p.m. JOINT LUNCHEON (All Coöperating Organizations)

Subject: **Citizen Support for Planning and Governmental Efficiency**
(Program being prepared by Miss Harlean James)

PAYING FOR LOCAL GOVERNMENT DURING DEPRESSION

2:30 p.m. GENERAL MEETING.
THE PROBLEM:

A. Increasing Demands Upon Government vs. Declining Revenues.

1. Opening remarks by Presiding Officer
2. *How Retrenchment in Industries Has Increased the Demands Upon Government*—Louis Brownlow, director, Public Administration Clearing House, Chicago
3. *Has the General Property Tax Broken Down?*—The Hon. Seabury C. Mastick, State Senator, New York
4. *The Pressure of Unemployment on City Treasuries*—Lawson Purdy, director, The Charity Organization Society, New York City
5. *Effect Upon Municipal Credit*—Carl H. Chatters, executive director, Municipal Finance Officers' Association, Chicago

Discussion

6:30 p.m. GENERAL MEETING

B. Cutting Costs vs. Elimination of Services.

1. *Must Taxes be Reduced?*—Silas Strawn, former president, Chamber of Commerce of the United States.
2. *Must the Schools be Sacrificed?*—William G. Carr, director, Research Division, The National Education Association, Washington, D. C.
3. *Can We Reduce Welfare Costs?*—Frank Bane, director, American Public Welfare Association, Chicago
4. *The Cost of Keeping a Community Healthy*—C. E. McCombs, Institute of Public Administration, New York City.

Discussion

TUESDAY, SEPTEMBER 20

10:00 a.m. GENERAL MEETING

B. Cutting Costs vs. Elimination of Services (continued)

5. *What We Pay for Police Protection*—O. W. Wilson, Chief of Police, Wichita, Kansas (invited)
6. *What We Pay for Fire Protection*—Geo. W. Booth, chief engineer, The National Board of Fire Underwriters, New York City
7. *Cost of Regulatory Inspection*—Miss Edna Trull, research secretary, Municipal Administration Service, New York City
8. *How Much Public Recreation is Essential?*—Roy Smith Wallace, National Recreation Association, New York City

Discussion

12:30 p.m. LUNCHEON

C. Planning Future Expenditures.

1. *Planning for Public Works in Times of Depression*—Col. D. H. Sawyer, director, Federal Employment Stabilization Board, Washington, D. C.
2. *Financing Public Works in Times of Depression*—Stephen B. Story, Rochester, New York

Discussion

2:30 p.m. GENERAL MEETING
THE SOLUTION

A. Through Unloading the Politician, Spoilsman and Racketeer.

1. *Can a City Government be Run Like an Efficient Private Business?*—C. A. Dykstra, City Manager of Cincinnati
2. *North Carolina Cleans House*—Governor O. Max Gardner of North Carolina
3. *What Price Racketeering—Breaking Up the Alliance Between Politics and Crime*—Gordon L. Hostetter, executive director, Employers' Association

6:30 p.m. JOINT BANQUET (All coöperating organizations)

(Tentative Program as arranged by Harlean James)

SUBJECT—PARKS

Presiding: Honorable Ray Lyman Wilbur, Secretary of the Interior

The Part Played by Participating Organizations.

(Three-Minute Responses)

Planning Points to Parks—Frederick S. Bigger, president, American City Planning Institute

Citizen Support for National and Local Parks—Frederic A. Delano, president, American Civic Association

Park Executives Administer Parks—Alfred MacDonald, president, American Institute of Park Executives

Legislators Favor State Parks— ——————————————, American Legislators' Association

Civic Secretaries Work for Parks—H. Marie Dermitt, secretary, National Association of Civic Secretaries

Parks Lead the Way in Eliminating Billboards—Mrs. W. L. Lawton, chairman, National Council for Protection of Roadside Beauty

Parks a Major Municipal Problem—Hon. Murray Seasongood, president, National Municipal League

Proportional Representation Will Promote Parks—A. R. Hatton, president, Proportonal Representation League

Park Problems in Administration

Are Citizen Park Commissions Essential to Adequate Local Park Development?—Louis Brownlow, director, Public Administration Clearing House

How Westchester County Manages its Parks—Gilmore D. Clarke, Landscape Architect, Westchester County Park Commission and Member, National Commission of Fine Arts

National Park Service Administers the National Parks for the Use and Enjoyment of the People—Horace M. Albright, director, National Park Service

WEDNESDAY, SEPTEMBER 21

10:00 a.m. GENERAL MEETING

THE SOLUTION:

B. Through Change in the Area and Functions of Government.

1. *What Constitutes a Community for Purposes of Government?*—(speaker to be secured)
2. *Possibilities of Regional Government*—Thomas H. Reed, professor of political science, University of Michigan, Ann Arbor
3. *Adjustment in Functions Between City and County*—Emmett L. Bennett, director, Municipal Reference Bureau, University of Cincinnati

Discussion

12:30 p.m. LUNCHEON

C. Through Changes in the Structure of Government—Samuel Seabury, counsel, Hofstadter Legislative Investigating Committee, New York City (invited).

D. Through Improvement in Personnel–George McAneny, president, National Civil Service Reform League.

Discussion

2:30 p.m. GENERAL MEETING

E. Through Changes in the Incidence of Taxation.

1. *Taking the Burden From Real Estate*—Robert Murray Haig, professor of political economy, Columbia University and president, National Tax Association
2. *Taking the Burden from Improvements and Personal Property*—Harold S. Buttenheim, editor, the *American City*, New York City
3. *Undeveloped Sources of Municipal Revenue*—F. L. Bird, assistant director, Municipal Administration Service, New York City
4. *A Taxpayers Association in Action*—A. C. Rees, executive secretary, Utah Taxpayers Association and chairman, National Council of Taxpayers' Associations

Discussion

Arrangements will be made for excursion fare or reduced convention fare on all railroads for delegates attending this convention. The annual meetings of the following organizations will be held at the same time and place: American Civic Association, American Institute of Park Executives, American Legislators' Association, National Association of Civic Secretaries, National Council for Protection of Roadside Beauty and Proportional Representation League.

A number of entertainment features are being provided by the local committee on arrangements. The other sponsoring organizations will convene on Sunday, September 18, and on the afternoon of that day will enjoy a sight-seeing trip around Washington, with a supper meeting in the assembly room of the New Commerce Building. Two post-convention trips are also being planned. On Wednesday evening, September 21, a boat, *The District of Columbia*, will leave on a sight-seeing trip to the National Colonial Monuments and the Williamsburg Restoration in Virginia. A special week-end trip to the Shenandoah National Park is also planned for Friday, September 23, to Sunday, September 25.

Make your plans now to attend these meetings. You can scarcely afford to miss them!

Unrest in County Government

HARASSED taxpayers are awakening to the faults in our historic forms of county government and are taking steps to remedy them

BY HOWARD P. JONES *Secretary, N.M.L. Committee on County Government*

THE story is told of a board of supervisors of a Minnesota county, reluctant to respond to the demands of half a dozen leading citizens last spring that the county budget be cut at least ten per cent.

"If you can show us twenty-five more taxpayers who think as you do, we'll consider the matter," the chairman retorted, and postponed action until the next meeting.

When the board again assembled at the county courthouse, 2500 citizens were storming around the building, demanding to be heard. The budget was cut.

If the incident were an isolated one, it would be of no little significance. It is not—there has gone sweeping across the country like a prairie fire an irresistible demand that the cost of local government be reduced, no matter how that reduction be accomplished. At every crossroads store, at every public gathering, across the dinner table at home—wherever people gather, taxes and the cost of government are monopolizing conversation.

Perhaps for the first time since the Populist revolt, the farmer is as excited as the city man. What is more important to the observer of local government, he is wasting no time in vain speeches and little in violent partisan criticism; instead, he is looking critically at the high cost of local government, he is perhaps realizing that our local governments spend half again as much as state and federal governments combined; certainly he is beginning to see that the money he himself pays out as a result of the general property tax is too high a charge for the service he is getting. Not that he would care if times were good and he didn't miss the money. But today he not only misses the money—only too often he is unable to scrape enough together to pay his taxes and keep his farm. It was in conservative Methodist Iowa that angry farmers armed with pitchforks surrounded a place that was to have been sold for taxes, and prevented foreclosure.

Campaigns for tax reduction, unless directed by leaders completely blind, do not stop when the obvious thing has been done—reduction in salaries and elmination of such services as are nonessential, if any. They continue and perform their most outstanding service in examining critically the whole structure and variegated areas of local government, the relation of one area to another, the relative cost of running the public business this way as compared with that. They begin to perceive the relation of the spoils system to the high cost of local government and consider ways and means of replacing it with the merit system. And so it has come about that suddenly the country, on fire with a desire for change and a zeal to achieve, has actually begun to tackle seriously that knottiest of all governmental tangles—the county.

AN ORGANIZATION A DAY

It has been estimated that county taxpayers' organizations were being formed this spring at the rate of one a day throughout the nation—a fact all the more remarkable when it is realized that these were relatively spontaneous. There were few paid organizers, traveling the highways and byways to weld such groups together. Their formation was stimulated, of course, through United States Chamber of Commerce propaganda and the hue and cry raised by big business, itself dancing or limping to the tune of "the bigger they are, the harder they fall."

Much of this propaganda has been hysterical. Business has been bearing so heavy a governmental burden it has broken down: thus would one of the favorite chants blame the monster "government" for the depression! Business has cut its costs and its activity way down, let government do the same: thus is another hymn intoned. One should almost blush to point out the obvious—that the demand for the products of business has vanished, whereas the demand for the services of government has been increased by the very lack of business activity! The result is that local government has been between the devil and the deep blue sea—faced on the one hand by insistent demands that governmental costs be reduced and on the other by social and economic pressure forcing an increase. Yet the popular refrain has been, "reduce taxes at any cost."

To the degree that this point of view has been adopted, much harm has been done. To the degree that a critical interest in the governmental machinery has been developed, much good may yet come out of it. Fortunately, all signs point to an increase of the critical examination of governmental services and the way in which they are administered as opposed to the reckless slashing of social services, without regard to possible irreparable damage done thereby.

PROGRESS RAPID THESE DAYS

It is beyond the reach of a bird's-eye view of recent progress in county government and a glimpse at the trends that are apparent such as contemplated in this article to list in detail the movements for improvement in county government that have reached a serious stage. That very fact indicates the amount of water that has gone over the dam in the past few months, since it is only a year or two ago that the genuine intelligent attempts to improve county government through redrawing boundaries and hammering new structure into place, could have been counted on the fingers of one hand.

Suffice it to say that, in almost every direction in which improvement in county government is possible—the alteration of area and structure, the redistribution of functions, the modernization of administrative procedure—progress is being made. Those who would think of the county as the early settler thought of the Indian, that the only good one is a dead one, have cause for gratification in the action of North Carolina a year ago in practically emasculating the county by amputating its functions. The same trend toward centralization of county functions in the state government has, surprisingly enough, become apparent in Virginia, the cradle of local self-government, in recent legislation turning control of the roads over to the state.

Authorities on local government have long been agreed that, desirable as it might seem to consolidate counties, it was impracticable. If there were nothing more than the necessity of obtaining the consent of the voters of the county on the point of moving the county seat to another county, that alone would defeat such effort, it was thought. The influence of retail trade interests at the county seat of itself would wreck any movement for merger of counties.

MUCH TALK OF MERGERS

In spite of such predictions, mergers of counties in Tennessee and in Georgia have taken place, and efforts are being made in at least thirty-two states to bring about further mergers, either on a large or small scale. The compelling statistical comparisons contained in the report of the Brookings survey on county government in Mississippi are enough to convince the most skeptical of the possibilities of economies in this direction.

One thing should be realized in any consideration of county government—that on the altar of farm and home, the farmer will sacrifice almost anything. In two states he has already given evidence of his willingness to sell out his much vaunted rights of local self-government in return for lower taxes that he can pay. Tradition, the private preserves of political parties, the interests of special groups, local sentiment—in the last analysis each of these bulwarks against change will creak and fall if the farmer sees they must go in the cause of financial self-preservation.

For the farmer above all is a realist. He accepts change slowly—do the seasons change overnight? But once the change is visible and apparent, he is not the man to shut his eyes and deny the evidence of the senses. A wheat field succumbing to drought is a fact that may throttle his hopes and mean six months wasted labor, but it is as uncontrovertible in its lack of production as is the plenteous evidence of a bumper crop.

THE GROWING MANAGER MOVEMENT

The county manager movement, which promised much in its early experience in North Carolina and Virginia,[1] has yet to be tested by broad application. The adoption of the plan by Arlington County on January 1 this year paved the way for more conclusive demonstration than has as yet been available. Of even greater potential significance was the passage of a county manager enabling act[2] by the Montana legislature in 1931. At present there are movements to adopt the plan under this act in ten counties despite the fact that in February, 1932, Ravalli County voters rejected the plan at the polls. In San Mateo County, California, a board of freeholders is now engaged in drafting what will probably be a county manager charter.

Interest in the plan is widespread throughout the country, due to the common feeling that the most obvious weakness of county government is its headlessness. It seems probable that this interest will take fire in action, if and when experience writes a convincing record of the effectiveness of the plan where tried.

But when all is said and done, just what is the future of the county? One thing is certain—that it cannot long remain as a unit of local self-government unless it can be made to operate responsively and efficiently. For at present, self-government in rural areas is largely a fiction: that it is at the same time archaic and inefficient is like adding insult to injury.

STATE CONTROL VS. STRONG COUNTY

Two opposite tendencies are clearly apparent at the present time—one leading toward centralization of all rural services in the hands of the state; the other leading toward a strong county, of sufficient area, population and assessed valuation to be able first, to support the services it requires, and second, to furnish the basis of an efficient administrative organization. For this latter, the manager plan is deemed essential as the structure of the governmental organization.

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[1] Alamance County, Cleveland County, Davidson County, Guilford County and Robeson County, North Carolina, and Albemarle County, Augusta County, Fairfax County, Pittsylvania County and Washington County, Virginia.

[2] Chapter 109, Session Laws of 1931.

These two are the extremes. It is of course possible to visualize them growing side by side. State administrative control is not unthinkable tied in with local determination of policy, although to American minds, accustomed to the unequivocable separation of federal, state and local government, it takes a heap of thinking to visualize the combination in action. It would be perfectly possible to have local rural councils determining matters of local policy, which, once determined, are carried out by an administrative arm of the state government. Certainly it is logical and probably inevitable that the state will have more and more to say as to the administrative standard of the local unit of government, no matter how strong that unit may be.

There are, to be sure, any number of conflicting points of view and influences which complicate this picture. For effective local self-government, an area must be found large enough to lend itself to efficient administration and with the financial capacity to support the services it requires. Yet the very concept of local self-government delineates an area small enough to permit ready response on the part of its officials to local needs, desires and attitudes. All too infrequently is there correspondence between the social requirements of a given area and its economic capacity to meet those requirements. Indeed, it is no exaggeration to say that the demands for public welfare services within a given area vary inversely with the wealth of the area.

EVEN EARTHQUAKES INADEQUATE

Then again, in considering the problem of the relation of functions and areas, there arises the question as to whether, after all, there is any such thing as a single desirable area for the administration of a particular service. It would take a whole flock of earthquakes, for instance, so to alter the topography of the country to make natural drainage areas harmonize with existing county lines. And if that happened, there might even then be a question as to whether the areas so divinely shaped would be equally well fitted for the administration of justice, the construction of roads, the maintenance of an educational system, the prevention of disease, the care of the poor and the eradication of mosquitoes.

All this is to omit consideration of the relation of the city to the county, the importance both socially and economically of developing a closer political relationship between the city or town and the surrounding countryside which feeds it and to beg the question as to whether the government of rural areas should be entirely separated from the government of urban or semi-urban areas. It is to overlook the differences in land utilization between urban, agricultural, forest and recreational areas and to neglect deliberately the annoying inquiry as to whether, after all, there is any single solution that is preferable in view of the wide differences in the history, tradition, topographical, social and economic problems of the various areas in the various states.

But, all theory aside, there is an opportunity before those interested in local government that has never existed before and may never come again. Enthusiasm, once foiled, quickly cools. There is at present citizen interest, energy and enthusiasm regarding problems of local government which, directed into intelligent channels, may work wonders. At the least, things are happening in the field of local government with greater rapidity than probably ever before. The record of the depression will not be entirely written in red ink!

Financing Governmental Services in Rural Areas

MAKE the operating unit conform to the natural economic unit and rural government can support itself

BY PAUL W. WAGER

University of North Carolina

THE pattern of rural life has undergone such profound changes in the last two decades that the units of taxation and government are badly in need of adjustment. Many units are too limited in taxable resources to provide the essential services of a modern rural civilization and many are too small in area to constitute an efficient unit of administration. It is not easy, however, to uproot established governments, or to change political boundaries, or to abolish existing offices.

SUBSIDIES ARE HARMFUL

Unable or unwilling to make these fundamental adjustments local governments have sought relief through state and federal subsidies. Granting its popularity, a subsidy is destructive both to economy of administration and democratic government. It would be better to transfer to the state those functions which are essentially a state responsibility and to adopt a rational scheme of joint support for those which serve both the state and the locality. Functions which are strictly local in character can be supported with adequacy and equity when the tax unit is made to conform with a natural economic unit. The two biggest items in the cost of rural government are the support of roads and schools. While both are traditionally local functions, changed conditions have necessitated a broader basis of support. The development in these two fields will be discussed briefly.

ROADS

A generation ago roads were a neighborhood institution; their support was a proper function of local government. The wealth of a whole county might be taxed to build a main artery but for the most part the township was the unit of road taxation and administration. In the South, where the township did not exist, counties were divided into special road districts. Virginia utilized the magisterial district as a unit of road administration. In 1928 Oregon had 850 road districts and Illinois 1400. In half a dozen states the township is still an important highway unit. This is the case in New York, where in 1930 the highway expenditures of the 932 towns amount to $29,000,000. The expenditure for maintenance was 19½ millions compared to 8 millions expended by the counties and 9 millions by the state. Nevertheless the township is rapidly being abandoned as a road unit, and there is every reason why it should be. On even the most local roads the bulk of the traffic originates outside the township. Moreover, the road mileage of a township is too limited to justify the ownership and use of modern road machinery. In this automobile age the county is none too large to serve as the primary road district and fully two-thirds of the states have adopted this unit.

Even where the county has been adopted as the unit of road administration, it has not been left as the sole source of support. Most of the states provide aid to counties for road construction and maintenance. The basis of distribution varies widely as does the degree of state supervision. In addition to state aid for county roads, many of the states have built and are maintaining a considerable mileage of primary roads entirely at state and federal expense. Since these roads carry a large volume of interstate traffic it is logical and proper that they should be built from other than local funds.

In 1929 the sum of 645 million dollars was expended on local roads, 122 millions of which were derived from gasoline and motor vehicle taxes, 33 from other state sources, and 490 from local sources. The amount expended that year on state highways was 800 million dollars, 77 millions of which came from the federal government, 565 from gasoline and motor vehicle taxes, 113 from other state sources, and 45 from the counties.

Two states—North Carolina and Virginia—have taken all the roads into the state systems. In Virginia the county road organizations are being used temporarily as agencies of the state but in North Carolina all local road boards have been dissolved and the state organization has divided the state into twenty-five administrative districts. In addition to 9,000 miles of primary roads the state is maintaining 45,000 miles of local roads. The legislature appropriated $6,000,000 to maintain the latter mileage for the present fiscal year but not much over $5,000,000 will need to be expended, compared with $8,250,000 expended last year under county maintenance. The rural mail carriers at their recent convention passed resolutions commending the state highway commission on the excellent condition of the roads. The state highway fund is supported entirely from gasoline and motor vehicle taxes. The North Carolina system may not be the best for all states but the results in that state the first year have exceeded the expectations of the most sanguine.

SCHOOLS

In some respects the evolution in school support parallels that in road support. Education is no longer considered a purely local responsibility; indeed it is essentially a state responsibility. This does not mean that school costs should all be borne out of state funds. There are administrative and psychological reasons why the localities should continue to bear part of the cost of the local schools. The schools should remain close to the people and no community should be denied the right to tax itself to provide exceptional facilities. On the other hand, there should be reasonable equality of tax burden in meeting minimum standards.

The tiny school district which has been so characteristic of the past necessarily results in great inequalities both in tax burden and in educational facilities. The two means most used to remove or mitigate these inequalities are state aid and the enlargement of districts through consolidation. New York offers an illustration of the use of state aid as an equalizing agency. Each district which employs a single teacher is required to levy a four-mill tax on each dollar of actual valuation; the state contributes the balance necessary to provide $1500. The state also apportions an equalization quota to districts employing two or more teachers. This arrangement serves two purposes. It equalizes the tax burden and it insures the attainment of a minimum standard of instruction. It may be criticized, however, in that it tends to perpetuate the one-room school and discourages the consolidation of small districts into larger units.

In some states state aid is used as a stimulating fund rather than as an equalizing fund. It is not designed to give tax relief but to improve the quality of education. Grants are made for school buildings and equipment, for school libraries, for pupil transportation, and other special purposes. Usually such grants have to be matched by the locality and thus, desirable as is the objective, may invite indulgencies beyond the capacity of the district to support.

Although the absolute amount of state aid has increased appreciably in recent years it has not kept pace with the increase in local expenditures, or at least it did not in the decade from 1918 to 1928. In 1918 there were 7 states in which 40 per cent or more of the public school support was derived from the state. Ten years later there were only two states in which this was true. In 1928 state revenues supplied 83 per cent of the cost of the Delaware schools. Next in rank were Alabama 41 per cent, Texas 36 per cent, Utah 35 per cent and Wyoming 33 per cent. There were 13 states in which the schools received less than 10 per cent from the state. Several states have increased the amount, and probably the proportion, of state support since 1928. Moreover, the states are relying less on the property tax than formerly, so that the net tax on property for school purposes is less than it has been.

Authorities on school administration are generally agreed that the local unit for the administration of schools should be larger than the small district found in many of the states, but they are not entirely agreed upon what the larger unit should be. Some favor the county and others what they term the "community unit." There has been a development in both directions. There are now eleven states in which the school organization approximates the county-unit plan. All except one are southern states. The eleven states are: Alabama, Louisiana, Utah, Kentucky, Maryland, New Mexico, Tennessee, Florida, Virginia, North Carolina and Georgia. Several other states have passed laws enabling individual counties to establish the county as a unit. These are Montana, Nebraska, Arkansas, Oregon, Texas and Minnesota.

There have been many instances of consolidation embracing less than a whole county. In 1928 there were in Kansas 179 consolidated districts which had been formed from 522 districts, and in 1929 there were in Michigan 61 consolidated schools replacing 308 one-room schools. Iowa has 402 consolidated districts and South Dakota 94. Nevertheless, the number of small districts is still very large, 65,000 in eleven reporting states in 1930. Michigan has 6,873, Minnesota, 7,707, and Missouri 7,758. Illinois has 10,142 districts having one-room schools and Kansas 7,139.

OTHER LOCAL FUNCTIONS

In addition to roads and schools, which are by far the most costly, the functions of rural local government include policing and the administration of justice, the custody and care of prisoners, poor relief and other welfare activities, public health work, the support of public libraries, farm and home demonstration work, and various promotional enterprises. Many of these functions are of more than local benefit and are receiving a larger and larger share of state support or are being assumed in large part by the state. Several states have state police forces which relieve the sheriff of much of his police work. All states have assumed the custody of most of the dependent and delinquent classes. Several states, including New York and New Jersey, share in the support of the indigent aged. Most states take care of felons, and North Carolina has relieved the counties of the care of all able-bodied male prisoners serving 60 days or more. Public health work and farm and home demonstration work are supported jointly by federal, state, and local governments. State aid is frequently available for county libraries.

It might be expected that the pronounced development in state aid or joint support in all these fields would have resulted in a reduction in county taxes. This does not seem to have been the case, however. There have been tax reductions this year in certain rural units but only because of taxpayers' revolts and then through a curtailment of services. County and township government has remained costly, despite the increased state aid, partly because of a legitimate expansion in health, welfare, and educational activities, partly because of ambitious road building programs, financed largely by bonds which must now be liquidated, and partly because of faulty administrative practices. There is too much overhead. The way to make a substantial reduction in administrative costs is to reduce the number of officers, even more, reduce the number of political units. The perpetuation of townships and of many small, weak counties not only results in a needless multiplicity of tax-spending agencies but tends to fill the offices with untrained and often incompetent public servants.

A NEW CONCEPT OF LOCAL SELF-GOVERNMENT NEEDED

The rural population is entitled to governmental services of the kind and quality necessary to promote a rich and satisfying country life. Moreover, rural taxpayers should no longer be required to bear a disproportionate part of the cost of services which have ceased to be local in character. In the main, an outright transfer of functions is preferable to a grant-in-aid. The state should relieve the counties of those functions which are clearly of state-wide concern and furnish guidance in the administration of even local functions.

Local self-government should be encouraged but there needs to be a new concept both of what is *local* and what is *self-government*. Rural political units should be expanded to coincide with the extended radius of the countryman's business and social relationships. Furthermore, rural local government should lend itself to effective popular control. A long ballot is an obstacle to such control. A simple, unified administration in the hands of a trained personnel offers the only basis for responsible self-government. A larger unit and a shorter ballot are in the interest of economy, efficiency, and democracy.

People v. Empty Acres: A Problem in Rural Government

WHAT shall be done with regions unable to meet the usual overhead costs of local government?

BY PHILIP H. CORNICK *Institute of Public Administration*

IS IT conceivable that extensive areas in the United States can be provided with all essential governmental services without the intervention of any local government whatsoever, and without resort to devices that need alarm the most ardent champions of democratic institutions? Is it possible that the abolition of local governments in certain areas may even strengthen the democratic structure as a whole, by eliminating the easily distinguishable submarginal regions where need and function, cost and benefit cannot by any legerdemain yet invented be brought into balance with one another? At least one example which warrants affirmative answers to both of these questions may be cited.

THE 45,000,000 UNDER RURAL GOVERNMENT

The 45,000,000 people living in cities of 30,000 population or more have by sheer voting strength obtained separate classification and subclassification for themselves. The 33,000,000 living in incorporated places of less than 30,000 have also established their rights of separate classification, and of variation in some degree from the rigid and inadequate provisions of the rural pattern. Except for planless classifications, provided by differences in pattern from state to state, the remaining 45,000,000, however, still remain unclassified.

There would, of course, be no need for classification within this last group if they had distributed themselves as the fathers hoped they would—if they lived throughout that part of the country not included within incorporated areas at the average rate of three families per square mile. It so happens, however, that they did not so distribute themselves. In the stable farming communities of the middle west, their density is much greater than that. In other sections of the nation, the density is an almost negligible fraction of that average. Nevertheless, regardless of density, regardless of occupation, regardless of needs, these 45,000,000 with minor exceptions here and there, are required to maintain the two or more layers of local government which the uniform pattern in vogue in their several states happens to prescribe. The first step in the reform of rural government, therefore, would seem to be a continuation of the process of classification which has brought about the emancipation of governments in what might be called the supra-agricultural areas of the country, and its extension into the infra-agricultural areas.

INFRA-AGRICULTURAL AREAS

Now what are those areas which can easily be distinguished from normal agricultural areas both in their needs for local government, and in their capacity to support such government?

First, we have the areas included in state and federal forest preserves and parks which can in the nature of things have no permanent population other than forest rangers and wardens. Second, we have the holdings of private lumber and paper companies, which except for brief periods and at long intervals have only sparse populations at best. Third, we have the large areas of denuded forest lands unsuited for farming. Fourth, we have those extensive areas in which, because of extremes and duration of heat or cold, or because of scant rainfall, only the most meagre population has been able to obtain even a precarious foothold. Fifth, we have the large and growing areas in state after state which were once prosperous and productive farming communities, but which have been pushed below the margin of profitable agriculture by the inexorable play of economic forces; and which, decade after decade, show a decline both in population and in the area of plowed land. Finally, we have those once thriving lumber towns, mining camps and oil "cities," which with the exhaustion of the natural resources for whose exploitation they came into being, have passed into history.

There is not a single one of the 48 states which does not contain areas falling in one or more of these six classes. Not even Rhode Island and Delaware are entirely free; not even those highly developed farming states on the great plains—Iowa, Kansas and Nebraska.

Altogether, it is not improbable that almost half of the total land area of the country belongs in these six classes which, for lack of a better term, we have called infra-agricultural. Throughout the greater part of the areas so classified, the forms of local government dictated by the normal patterns have become in some cases ineffective, in other cases superfluous, in all cases costly, instruments for meeting either state or local needs.

On the other hand, because such units of local government as had been erected in those areas were frequently woven into the state-wide machinery of election and representation; because workers in the field of rural government either overlooked the existence of these units or confused their problems with those of the local governments in the normal agricultural areas; and because public office became in a decadent area, one of the few dependable means of livelihood for those capable of maintaining themselves in power, these outworn governments have exhibited a capacity for survival out of all proportion to their social utility.

THE MAINE EXAMPLE

Now, what, if anything, can and should be done about it? The experience of the state of Maine with her four hundred and odd unorganized townships indicates not only what can be done but what the advantages are of doing it. Those townships, containing more than nine and a half million acres—almost half the area of the state—are distributed through eight counties. The county in Maine, however, maintains courts, a sheriff, a jail, a register of deeds, and little else. The provision of schools and highways, and the assessment and collection of taxes, fall beyond the scope of its duties and powers.

Those are functions of the towns, if, as, and when organized. The general law provides means for the organization of a full-fledged town government in every township, with complete powers of local self-government including the rights and duties to assess property for taxation, to levy and collect taxes for its own purposes, to collect taxes levied for state and county purposes, and to incur indebtedness. It provides, further, for the creation of temporary or transitional local governments, called plantations. These are of two types: one with practically all the powers and duties of a town except the right to incur indebtedness; the other with more limited powers to levy and collect taxes for local purposes, chiefly schools, but without the duty of collecting taxes levied either for state or county purposes.

As the state grew, township after township was equipped with its full complement of local governmental machinery. Finally, however, the northward march of population began to lag. The lure of the west, combined with the rigors of the long, hard winters of the north woods, brought the establishment of new town governments to an end. Not even the existence of 1000 to 1250 acres of school lands in each township, and of accumulated income held in trust in the state treasury, could induce the requisite number of people to establish permanent residences in the townships of that region. The federal census indicates that many of these townships have had no population whatsoever in the last three census periods; that others have had as many as 50 or fewer inhabitants at only one or two of those three census periods; that only a few of them have, or have had within thirty years, as many as 200 inhabitants on the enumeration dates. With less than that number a township cannot be organized even into a first class plantation, much less a town.

STATE ADMINISTERS UNORGANIZED TOWNS

Since certain governmental services were nevertheless essential even in the totally unpopulated areas, and since it would have been contrary to the New England tradition to have the county provide them, it became necessary for the state to assume those functions. Today the state prepares directly an assessment roll of all taxable property in the unorganized area; the counties certify to state officials the taxes for county purposes which they have levied against the taxable properties in the unorganized towns, on the basis of the valuations placed on them by the state officials; the state treasurer collects all state, county and district taxes levied against the properties. The state highway department builds such highways as may be needed for through traffic. The lumber companies and the land owners build and maintain, individually or in coöperation with one another, such temporary or permanent logging roads or trails as they may deem necessary. In some instances the state forestry, and fish and game, departments also coöperate with the lumbermen when the trails are of such a nature as to facilitate the discharge of their own duties.

The state department of education is directly responsible for schooling in the unorganized towns. For some isolated families with only one or two children, it meets the problem by contributing to the costs of transporting and boarding the children at available schools elsewhere. In other cases, it pays the salary of a teacher for a one-family school, the family contributing board and lodging for the teacher and providing a school room in the building occupied by the family. Where several families are clustered about some local nucleus, the state supplies both building and the teacher. In such cases the department of education collects through its agent a poll tax of three dollars from every male adult resident in the township. Official reports indicate that, in 1928, 507 children were provided with an average of 171 days of schooling at a cost to the state of about $40,000. These costs were chargeable directly to the funds provided by the state for the support of education which are derived in part from a state tax levied on all taxable property in the state, including that in the unorganized townships. Such health and welfare work as the unorganized territory needs is provided effectively and directly by the state departments concerned. The state police, the state fire wardens, and the state fish and game wardens provide such policing as is necessary. So much for the usual functions of local government in rural areas which, in the unorganized townships of Maine, are provided directly by the state.

In addition, there are certain specialized services necessary in a forest area which are also as a rule administered elsewhere by local units, with or without state aid and supervision. Chief among these are the control of forest fires and insect pests. These are provided in the unorganized townships in the eight northern counties (as well as in a few adjoining organized towns which have elected to become part of the district) by the Maine Forestry District—an administrative district created by statute at the request of the land owners affected; and are supported by a special tax levied and collected by the state on all properties within it. The state forest commissioner is by statute also the head of this district.

IMPRESSIVE ECONOMIES EFFECTED

Now what does all this cost?

The tax for the support of the state government for 1932 amounts to 7 mills, including three and a third mills for the state school fund, and three other levies of a mill each for war bond retirement, state highways, and the state university. The tax rates for the counties vary, but rarely exceed two mills. In addition, there is the tax for the forestry district, which is fixed by statute at two and a quarter mills; but the levy at this rate has in the past been partially offset by rebates out of the surplus accumulated in the district fund. A considerable surplus is maintained at all times to provide for bad fire years, but when that surplus grows beyond the sum dictated by prudence, rebates may be, and have been, ordered.

In other words, for eleven and a quarter mills on an assessed valuation admittedly below full value, less possible rebates, the property owners and residents in the unorganized townships receive the full benefits not only of state and county government, but also of every essential service which is administered in other areas by local units. Moreover, there is every reason to believe the revenue from these townships meets the full cost of the service rendered them. The average rates of taxation among the organized towns in the same counties were reported by the state board of assessors to have ranged in 1928 between 43 mills in the lowest county and 56 in the highest. Some of the organized towns undoubtedly needed and got more intensive services than those required in the more sparsely populated unorganized townships in the same region. Nevertheless, it is difficult to escape the conclusion that a considerable part of the difference between 11 and 56 mills represents the overhead involved in maintaining a local political organization which has subordinated ends to means. Be that as it may, Maine towns have been known to "disorganize" voluntarily, and to take advantage of the lower costs of state administered local services.

The existing provisions for the exercise of the suffrage by citizens resident in unorganized territory constitute the weak link in the system which has grown up in Maine. Because the town is still the basic electoral unit, citizens in unorganized territory can register for state, county, and national elections only in organized towns. The section of the law authorizing such registration, although recently amended, antedates many of the statutes under which the state now provides services directly in the unorganized territory, and would seem to be in conflict with some of their provisions. Its survival in its present form is plainly due to an oversight which could easily be corrected. When that shall have been done, the Maine plan will be not only effective and economical, but also democratic.

"As goes Maine, so goes the Union."

Rural Areas for Rural Government

COMBINE villages and contiguous open-country areas in one rural municipality for preserving home rule for agricultural areas

BY THEODORE B. MANNY

U. S. Department of Agriculture

SPEAKING generally, the average farm family is now very much less dependent upon local geographic groupings than was formerly true. Good roads and automotive equipment have freed farmers from more or less sole dependence upon a single trade or market center or upon their immediate neighbors. With the consolidation of small school districts and the abandonment of many open-country churches, many open-country neighborhood or primary groups seem to be passing entirely out of the picture, at least in so far as social relationships are concerned. In some instances where such neighborhoods have coincided approximately with units of local government, a semblance of social grouping and group activity may remain. Personally, I am of the conviction that, as further improvements in transportation and communication continue to reduce the handicaps of distance, hills and streams, we may expect to see fewer, larger, and less personal grouping—arrangements in most rural areas.

BASIC CONSIDERATIONS

In suggesting what I feel is a reasonable and effective solution to the complicated problem of overlapping, conflicting, and uneconomic rural areas as applied to government, I want to state briefly the premises upon which these ideas are based.

Local self-government is considered by many a right and not a privilege but the contrary is more nearly correct. As a privilege, it should not be extended to all areas indiscriminately. The privilege should be available only to areas whose civic consciousness is quite active, whose economic and social interests are well unified, and whose economic resources are sufficient to finance effective local self-government without excessive or confiscatory taxation.

In the second place, each state (and possibly with some equalization as between financially stronger and weaker states through the federal government) should be directly responsible for the performing or supervising of certain generally accepted governmental functions in a minimum way throughout all parts of the state regardless of local financial resources to pay for them. At present this should apply to at least the following: the administration of justice; the maintenance of the peace; the providing of a 9-month, 10-grade school system; a system of arterial highways; the care of the insane and feeble-minded, and the incarceration of criminals for sentences of more than 90 days except where purely local ordinances, not state laws, are violated. Perhaps other functions should be added to the list.

EDITOR'S NOTE: Excerpts from an address delivered before the section on rural government of the American Political Science Association, Washington, December 28, 1931.

However, such functions and services as are performed by the state should be financed through a state-administered tax system devised to secure uniformity and fairness throughout the area and administered by state-appointed officials under a carefully worked out civil service system.

Third, such units of local self-government as are provided, both urban and rural, should be allowed to administer as much of the above state-determined policies within their areas as possible, with adequate state supervision under pain of stoppage of financial assistance from the state for failures to carry on as intended. Some of the afore-mentioned functions, however, would remain in the hands of the state for direct administration. The road system, and the care of the insane and feeble-minded are examples of such functions. The units of local government would be given large powers of self-government in the providing of municipal services of all kinds though with some restriction upon bonding and taxing. They might, if they so desired, transcend the minima provided under state administration, as for example, the fields of education and public health.

Finally, governmental services and facilities for farm people as well as many economic and social agencies and institutions of non-governmental character, can be provided more effectively, efficiently, and under modern means of transportation and communication with little or no handicap to the farmers by centering most of these in the farmers' market towns. The other alternative of maintaining separate agencies for the trade centers, small villages and open-country has been tried and found expensive and generally insufficient. Furthermore, the separate incorporation of hamlets, villages, and larger farmers' trade centers has done much to antagonize farmers and townspeople as well as causing high-cost governmental services to both groups.

THE PLAN OUTLINED

Keeping the above premises in mind, what kinds of unit areas for local government are involved? I can but outline these in a very few words. The filling in of the details is much less fundamental than an understanding of basic concepts.

First, as regards counties, I believe that these should be given over entirely to the administration of state-determined policies and that all powers of local self-government should reside entirely in various classes of incorporated places. Fewer and larger counties for these purposes would eventuate. Existing county buildings could be used to hold court at several points within the larger administrative counties if so desired, and some of the administrative work might be decentralized in these offices but under the control of the county administrators for the various fields. In other instances, the county buildings would become the offices of the municipal government.

Next, there should be several classes of urban incorporated places either under the optional or home rule plans of incorporation. These various plans will take care of all urban communities whose major interests are so predominantly non-agricultural as to make a consolidated town and open-country unit undesirable. The largest of these centers, such as cities with 250,000 or more in population, might also be separate administrative counties under this plan while the smaller urban places would remain with open-country and village areas in making up the new administrative counties.

Then there would be another class of incorporated places, including the typical farmers' trade centers and smaller hamlets, together with such contiguous open-country areas as desired to secure the advantages of municipal incorporation. In the absence of a better term, I have called this unit the rural municipality. Two or more trade towns and the farm lands lying between and around them might join forces as a single municipality if they desired. Or, in situations where the farmers did not want to assume the responsibilities and receive the benefits of such incorporation, the trade centers could incorporate much as at present. I cannot go into the details of organization, powers, and functioning of these new units. I realize fully that serious problems of readjustment are involved. Yet, I feel confident that such matters can be handled satisfactorily and at the same time meet the most serious objections to our present rural government situation.

Local self-government in rural areas is now at a crossroads. One way out leads to complete concentration of local rural government in very large counties, so large that any economic or social sense of oneness in local governmental affairs will not be possible among the farm people who compose it. The other way leads in the direction of state administration for rural areas whose residents do not have a sufficiently developed sense of civic responsibility and unity to make for successful local self-government, and towards a flexible, well-supervised form of village and open-country consolidation under incorporated rural municipalities available to those areas desiring to provide more than the state-determined minima and willing to assume the responsibilities essential in a vitalized and efficient unit of local self-government.

My suggestions are admittedly radical and to become effective demand far-reaching changes in state constitutions and statute laws. The plan can be put into effect gradually. It might be tried out here and there, more or less experimentally at first. However, with my own contacts with farm people as a basis, I feel safe in saying that their trends of thinking at present are more favorable to fundamental changes in local government than has ever been true heretofore. Educators, political scientists, economists, sociologists, and farmer leaders now have about the best opportunity they are likely to have for a long time to come to formulate and secure the acceptance of some form of governmental reorganization that will meet the demands of the present day more completely and efficiently than can most of the antiquated and inadequate machinery under which rural areas now struggle.

The County's Place In Large Urban Areas

THE county is the most available unit on which to build a government for a metropolitan area

BY R. C. ATKINSON

The Ohio Institute

WHAT is to be the place of the county in the local governmental system of the large urban area? This question has acquired added significance due to two important developments. The first is the increasing inability of large cities to annex their suburbs, which has resulted in the growth of elaborate colonies of separate political subdivisions without a central government to grapple with basic urban problems. The second is the great expansion of county activities and expenditures in recent years, which has tended to emphasize the overlapping of county and municipal governments and to increase the problems to which the dual system of local government gives rise. The need of integration and more unified financial planning and control over the development of local governmental services has become too obvious to require explanation.

NO SINGLE ANSWER POSSIBLE

Widely different answers have been offered to the question as to the proper place of the county in the government of urban areas. Some have proposed the separation of the city from the county, making it a so-called "free city" with both municipal and county powers. Others have suggested the abolition of the county and the creation of a new regional unit absorbing part of the functions of counties and municipalities in the urban region. Still a third group would reorganize county government and expand its scope to include at least part of the major services heretofore rendered by cities.

An examination of individual cases, however, indicates that no single answer can possibly provide the solution of the problem in all instances. There is the widest variation in the character of the local situation in different places. At one extreme is the county that is but a segment of a vast metropolitan region, such as the counties of Northern New Jersey, or is mainly part of such a region, as the counties in Greater Boston; and at the other extreme is the county which contains a single large city whose growth has substantially kept pace with the spread of urban population.

The situation is well illustrated by the large counties of Ohio. Cuyahoga County is almost entirely urban, embracing practically all of Greater Cleveland, which consists of some 55 separate cities and villages. On the other hand, Hamilton County, containing Cincinnati and a considerable group of suburbs as well as some rural territory, forms but part of the Cincinnati metropolitan district, substantial sections of which lie in two Kentucky counties. Franklin County includes a large farming area and several rural villages in addition to the city of Columbus and its suburbs. Montgomery County presents a somewhat similar picture except that the suburban area about Dayton is comparatively small. A much more complicated situation exists in Stark County, however. In addition to Canton, a city of 105,000, this county includes two entirely separate cities of about 25,000 that are not a part of Greater Canton. Obviously, any plan for the integration of urban government in Ohio must possess extreme flexibility, if indeed any one proposal can be formulated which will meet the needs of all the large urban communities of the state.

CENTERS OF LESS THAN 300,000 POPULATION

While conditions differ somewhat as between the large metropolitan district and the center of from 100,000 to 300,000 population, the differences appear for the most part to be matters of degree rather than of kind. The smaller cities are less likely to be hedged about by unannexable suburbs, and the urban territory is less apt to overflow into adjoining counties. At the same time the rural portion of the county is usually much larger and relatively more important in such cases, and the county is more likely to contain outlying municipalities not belonging to the main urban community.

However, urban areas of this general size present examples of conditions substantially similar to those found in larger centers. To illustrate further from the Ohio situation, both Akron and Youngstown have suburban problems quite as intricate as those of some cities of considerably greater size. In the case of Akron, there are two suburbs of over 20,000 population which have developed from old detached communities and possess a strong separatist spirit. In the case of Youngstown, the urban region not only embraces various cities and villages adjoining the central city, but may fairly be said to include at least one important manufacturing city in a neighboring county.

In general, it is probably fair to conclude that in urban areas in the 100,000 to 300,000 population group the problem of securing a unified administration of municipal services is much less pressing; that the county is apt to include a sufficiently great part of the area to warrant its use as the agency for the handling of the services most needing unified control; and that if the county were to take over some municipal functions, it would be necessary to create an urban district for the purpose of financing the conduct of certain of them, such as sewage disposal and water supply, which are required only by the urban area. A thorough-going reorganization of local government in such counties might well result in the creation of an urban district, consisting of the central city and the adjacent allotted territory, and a rural district, with some differences in the services administered by the county in each and corresponding differences in tax levies. Thus, the county might serve as the agency to construct and maintain the sewerage system of the urban area and also to build and repair local roads in the rural district, separate taxes being levied within the respective areas for these purposes.

CITY-COUNTY SEPARATION

In some respects a complete separation of the city from the county, the functions of the county being absorbed by the city government within the city limits, would appear to offer the simplest solution of the problem of city-county relations. It would eliminate the present dualism in so far as the city area is concerned and, if properly worked out, would provide a system of local government more understandable to the local electorate and more amenable to popular control. It also would permit unified planning and budgeting of local governmental activities. From the standpoint of administration, it would make possible the elimination of some duplication of effort and a reduction in friction among the various agencies of local government.

However, this simplicity is not as great as it may at first seem. If the separation were carried out without the annexation to the city of the suburbs and an extensive undeveloped area—which is exactly the thing our large cities have been unable to accomplish in recent years—such separation would create a situation more complicated and difficult to deal with than that which it replaced. It would leave the city surrounded by a host of separate suburbs located in a different county. Other than the state, there would be no governmental unit geographically large enough to deal with problems common to the entire urban area. The city would be left without a voice in the planning and development of its environs and with little opportunity of securing such a voice. It need hardly be stated that such matters as the construction of an adequate thoroughfare system, the provision of efficient health service, the development of parks and recreation areas, the regulation of commercial amusement places, and the control of vice and crime in both allotted and unallotted areas adjacent to the city are of vital concern to its people. Moreover, the county would be seriously handicapped by the loss of the city tax valuation in attempting to finance improvements and services largely necessitated by the proximity of the city. Without being able to tap the resources of the central city, the surrounding territory would be faced by large highway expenditures, difficult police problems, heavy poor relief demands, and other burdens for which the city is chiefly responsible. At the same time the remnant county would be left a political doughnut without its natural governmental center, and would perhaps be required to provide new buildings for its use, the logical location of which would very likely be in the city.

The mere separation of the city from the county is not apt to afford a satisfactory solution of the governmental problem of the large urban area. It ignores the desirability of a governmental unit bigger than the existing city and including the suburban ring about it. and it overlooks the necessity of providing for further increases in population and the tendency of the automobile and improved road to diffuse urban population over an even broader area. It also fails to take into account the interrelation of the city and the rural territory adjacent to it. From the standpoint of future development the existence of a considerable rural fringe within an urban county may be a very real advantage.

REPLACEMENT OF COUNTY BY REGIONAL UNIT

The recent New Jersey proposal to abolish the county and create a new regional unit absorbing at least part of its powers and serving as the agency for handling those municipal services that need unified administration is particularly appropriate in those cases where the urban area includes large portions of several counties. If the slate could be wiped clean of existing political boundaries, such a plan might offer an ideal solution of the problem. Eventually, necessity may compel the creation of such units in a number of urban areas as it has brought about the metropolitan district in the case of Greater Boston. However, it is difficult to alter even absurdly illogical boundaries, and it is rather too much to hope that an old established governmental institution such as the county can be readily eliminated no matter how good a case may be made for the change. Moreover, such a reorganization would undoubtedly involve many intricate problems of adjustment, such as the disposition of county remainders not belonging to the urban region.

In most cases it seems more likely that the county itself may be utilized as the regional agency of the urban area, at least for some time to come, than that it will be replaced by a totally new unit. Interestingly enough, such a possibility is considered as an alternative in the New Jersey study, though much less appropriate in Northern New Jersey than in most places. While the county is not as satisfactory a regional unit as could readily be blocked out, it does in many instances include the whole urban area and in most cases it contains all but relatively small parts of that area. In some of the most conspicuous exceptions, the establishment of an inclusive regional unit is made extremely remote by the fact that the major part of the region outside the principal county lies within a different state, as in the cases of Chicago, Kansas City, and Cincinnati, or in the case of Detroit, in another county.

Apart from the degree to which the county corresponds to or includes the urban area, there is the fact that the county is a going concern. As a rule, it is easier to build on existing institutions or to modify them than to destroy them and erect a new governmental structure. Though the county is often referred to as an artificial geographical unit, the difficulty of bringing about county consolidation and of eliminating the township bears evidence to the degree to which such so-called artificial units have become embedded in custom and overgrown with vested interests tenacious of their existence.

REORGANIZATION OF COUNTY GOVERNMENT FOR MUNICIPAL PURPOSES

With the movement for the reorganization of county government rapidly gaining momentum, the question naturally arises as to what extent the county can be employed in meeting the regional government problem. Whatever theoretical case can be made for out-and-out city-county consolidation, experience indicates that the complete absorption of local services by the county is not as yet a practical proposal in most places. It naturally encounters much the same obstacles as the effort to unify the government of the urban area by annexation, namely, the desire of suburbs to preserve their identity, either as a matter of local pride or because of advantages in tax rates or standards of public service. Nor would complete city-county consolidation be appropriate in some cases, even though obtainable.

Whether or not city-county consolidation or a federal plan of local government is considered the ultimate goal, important progress can be made toward the integration of local government in the urban area by extending the powers of the county into the municipal field. It is this plan which is proposed by the county home rule amendment now under consideration in Ohio. In addition to authorizing counties to frame charters determining their form of organization, the amendment permits the charter to vest in the county, either exclusively or concurrently, any powers conferred on cities and villages. To safeguard the interests of the suburbs and the rural fringe, however, it provides that a charter conferring municipal powers on the county must not only receive a favorable majority in the entire county but also in the principal city, in the area outside such city, and in each of a majority of the municipalities and townships.

Under the proposed amendment a wide variety of readjustments would be permitted. A county might reorganize the machinery of county government and leave existing local units untouched, or it might even go so far as to consolidate city and county government entirely if sentiment were strongly in favor of the present county functions there is of such a plan. Between these two extremes it could effect the transfer to the county of any individual municipal service. Thus, the matters of water supply and sewage disposal could be turned over to the county and a county police department could be created either replacing or supplementing existing police units. The charter might also provide for the establishment of taxing or administrative districts. Under this authority it might set up an urban district consisting of the central city, its incorporated suburbs and the unincorporated, allotted territory adjacent to it, a rural district for the rural portion of the county, and, if needed, special districts for outlying municipalities not parts of the main urban area. It might also provide for different rates of county taxation in these districts corresponding generally to differences in the services maintained by the county in its various parts. If, for example, sewer and water systems and the matter of garbage disposal were turned over to the county, the charter could restrict these services and the taxes for their support to the urban district or to special districts corresponding to the areas served.

It is frankly recognized that probably no one scheme of city-county readjustment can be devised which will fit the local needs, let alone enlist popular support, in all the large urban counties of the state. However, if Greater Cleveland desires a federal plan of government, it can secure it under the amendment; if Lucas County (Toledo) wishes city-county consolidation, that is possible; and if Hamilton County (Cincinnati) prefers to consolidate police, health, and welfare services and leave other functions as they are, it can do so.

PROGRESS AN EVOLUTIONARY PROCESS

It is not claimed by the proponents of the amendment that it offers an ideal solution of the regional government problem. Assuming that Greater Cleveland should adopt a charter transferring to the county the group of services most needing unified control, no one would assert that the existing subdivisions would provide a reasonable division of the territory into boroughs for the handling of other functions. Nevertheless, the unification of the first group of activities would constitute an immense advance. As a matter of fact even that will no doubt have to be accomplished by stages as the plan of administration by the county demonstrates its value and the county wins the confidence of the electorate. In a word, the process will probably have to be evolutionary, and under existing conditions there is little likelihood that any other method can be applied with success in most great urban centers.

In conclusion the following considerations are offered: (1) that as a rule the county is the only available local unit geographically able to deal with problems of the large urban region or at least of the major portion of it; (2) that in most cases the use of the county as the regional unit is likely to be more feasible than the abolition of the county and the creation of a totally new local governmental arrangement; (3) that whatever plan is proposed in a state having numerous large cities, it must possess a high degree of flexibility if it is to be applicable to all cases; and (4) that the integration of the local governmental system of large urban areas will almost inevitably be a slow and difficult task which will require an evolutionary process for its accomplishment.

County Government and State Centralization

THE inexorable trend to state centralization must be recognized, believes the author, if proposals, such as the county manager plan, are to succeed

BY KIRK H. PORTER

State University of Iowa

One of the most promising methods of improving county government lies in tying up the various county activities with those departments of state administration which deal with the same problems. And it is to be observed in this connection that in general we got better highways when we set up state highway commissions and gave them some power. We are getting better rural schools as we strengthen our state departments of education. Our county poor farms improve materially when the state comes in and carries off to state institutions the most difficult of the inmates—the insane, the feeble-minded, the epileptic, the dope-addicts, and the orphans. Effective local public health service cannot be expected in the rural areas without the leadership of a well-organized state department of health. And if we ever get out of the dreadful morass into which we have fallen with our general property tax, it will be due largely to the energetic efforts of state tax commissions in straightening out our property assessments. Effective rural policing is everywhere waiting for the creation of well-organized state police forces; and many careful students of the process of administering justice are convinced that sooner or later our local prosecutors must become part of their respective state departments of justice.

TIME TO FIND A MIDDLE GROUND

The simple fact that there is a distinct trend in the direction of state centralization would seem to be too obvious to need proof or comment. But what does need commenting upon is the desirability of this movement. Should it be encouraged and promoted?

It is rather unfortunate that so many of the advocates, both pro and con, seem to think it necessary to take extreme positions on the matter, and profess to see no good whatever in the opposing program. Thus, those who have great faith in the county manager scheme of government wax eloquent about home rule, and execrate anything that can be branded as "centralization," all the while greatly deploring the tendency to bring about "apoplexy at the head, and paralysis at the extremities." On the other hand, advocates of the dreaded "centralization" never weary of parading the weaknesses of local self-government.

It is time we found a middle ground. I have indicated my own belief that much good has come and will continue to come from state centralization; but, on the other hand, I would be among the first to argue against over-doing it. The problem is to find a satisfactory middle ground.

THE ROLE OF THE STATE

In connection with nearly every one of the present county functions there is some important role for a state administrative agency to play. State highway commissions are able to render invaluable aid to counties in the matter of highway building. Let county boards of supervisors or commissioners employ highway engineers, in those states where that is not already being done; and let the engineer cultivate a very intimate relationship with the state highway commission. The county engineer does not need to be literally a subordinate of the state commission. But the plans which he devises for his local area at the behest of county supervisors, the specifications which he sets up, the contracts which he proposes to let, the plans for bridges which he intends to build, the program for financing the highway projects which he outlines, could very properly be laid before a state office for advice and criticism, and perhaps should be subject to a veto.

The day ought soon to be gone when a committee of unskilled farmers and local politicians can let contracts for bridges and for materials which mean nothing short of robbery from the public's point of view.

The introduction of a county manager or some other scheme of toning up local government might help to remedy some of these abuses; but the best way to deal with the matter is to get highway building on a professional basis—into the hands of a county engineer. And then, by all means, let him be possessed of some sense of responsibility to a state commission, for in that office he will find men of professional standing equal to or greater than his own, and whose opinions and advice he can respect. This would not necessitate destroying every vestige of local autonomy. Let the county boards employ their own engineer. Let them initiate projects, let them negotiate the contracts with the help of the engineer, whom they have employed. Only finally let there be effective control with the state commission, with a view of getting professional opinion and advice, for in that office there should be the best professional talent that could be found. The most important highways might properly be delivered over to the state commission; but there is no need to go to the extreme lengths that North Carolina has gone. That experiment is viewed with some dismay even by the advocates of moderate centralization.

The time should come, and come soon, when the directors of tiny rural school districts can no longer hold within their hands the destinies of public education. Highly decentralized purchasing which they do must be extremely uneconomical; they select and introduce school books for political reasons, and for reasons of economy, without regard to modern standards; they rebel at minimum teacher wage laws, and they resent certification requirements. At the other extreme, we find over-ambitious rural directors acting for "consolidated" districts, erecting school buildings that rival the finest that can be found in cities, bonds having been voted, perhaps, by enthusiastic tenant farmers. The remedy for these diverse abuses lies in some measure of centralization. Let there be a county school board to displace the petty district boards. Let there be a county superintendent who has some real authority. And let him be in very intimate contact with the state department—where a function can be exercised quite comparable to that suggested for state highway commissions. In this lies great promise of improvement. Of course, it means breaking down the pettiest local autonomy; but it does not necessarily mean wholesale, sweeping, state centralization.

Everywhere states already have relieved the counties enormously by providing state institutions for the care of specialized types of defectives and dependents. No one doubts that this should continue. But there may be much more for the state to do. The typical poor farm is a most uneconomical institution. There are at least two possible ways of dealing with the situation. One way is for groups of counties to unite for the purpose of maintaining a poor farm, and a jail too, for that matter, or else state district poor farms and jails may be set up. Of the two, it would seem the latter device is the better. It is very difficult to effect a satisfactory agreement among a number of counties, although in some cases it has been done.

COUNTY CONSOLIDATION IMPRACTICABLE

As a solution for this, and many other problems, some reformers are advocating county consolidation. But the day for that is certainly in the very far distant future. It would involve political disruptions little short of revolutionary. It is most impracticable.

Public health agencies in the rural areas have always languished. There is scarcely a ray of hope for them except as they are stimulated, guided and helped by a state department of health. The highly paid scientist is particularly useful in this field. Local areas, outside of metropolitan centers, cannot and should not try to engage in this work on any comprehensive scale, except with the aid and guidance of the state. From any point of view, local autonomy in matters of public health has little to recommend it; and centralization is, perhaps, least to be feared in this field.

In many communities there is very stubborn resistance to centralization in connection with the general property tax. Uusually this objection reflects either ignorance, or ulterior purpose—a desire to keep assessments unfairly low. No doubt there are some people who honestly believe that assessments should be made by independent, popularly elected township or small district assessors. Nevertheless, every consideration of economy, equity, fairness, and efficiency argues for an increasing measure of centralization. Some students of the problem would go no further than to centralize this function in the office of a county assessor, either popularly elected or appointed by the county board. That is all to the good. But so long as a large portion of state revenue is derived from a general property tax, the logic of the argument for state control of the assessment process is irresistible. Sooner or later, the public will come to realize this and the dread of centralization will fade away.

JUSTICE

The woeful inadequacy of the county sheriff's office in this day of widespread crime is a subject of complaint on every hand. The office should be strengthened in every way; but the real remedy lies, of course, in the hands of state police. Their coming is inevitable. It is only a matter of getting an adequate highway system, and of overcoming the apprehensions of organized labor, until every state in the Union will have a well-organized state police department. Many of the criticisms levelled at state police by labor leaders are no doubt well founded. But that should only lead to taking steps for the purpose of eliminating these abuses; it should not lead to abandoning the idea of state police.

What is to become of the sheriff and the coroner when all this comes to pass is, of course, a fair query. The answer would seem to be to eliminate the coroner altogether, and ultimately to let the sheriff retire to the humdrum routine of an exalted court bailiff—a role which many of them are all too ready to assume as it is, even though we are still depending upon them to suppress crime and to function as detectives. They will never be able to do it effectively—even with county managers to manage them. We must come to state centralization in this field.

One is tempted glibly to recommend that local prosecutors become mere subordinates of the state attorney general. Perhaps that is too big a dose of centralization to be taken just at present; but certainly the drift is in that direction. The combination of tremendous pressures that bear down upon the elected county prosecutor, are all calculated to induce him to neglect his duty. They are nothing short of appalling. The county board, with a grudging eye on the costs of prosecution, is forever holding him in check and making him hesitate to launch expensive trials. A desire to make an impressive record of convictions induces him to compromise with criminals—to induce them to plead guilty to lesser offenses than those of which they are really guilty. He is tempted to hide behind a grand jury, which can be induced to find no true bill in cases that promise to be difficult of conviction. Leading men of the community not only escape jury service whenever they can, but shamelessly desert him and doublecross him as witnesses.

In spite of the well-known evils of bureaucracy and the vicious patronage that might easily develop with state centralization, there is excellent reason to believe that the office of local prosecutor would be toned up very considerably if he were tied to the attorney general of the state.

A MODERATE DEGREE OF CENTRALIZATION

This article has been intended to advocate a very moderate degree of centralization. Everywhere the drift already is in that direction; and, for the most part, wherever it has occurred, good results have followed. Centralization is thus a general plan for improving local government and it has the distinct advantage of not involving sudden and radical change. It can come about slowly. It can come with respect to one service without affecting the others; there need be no startling overturn of many precious, deep-rooted institutions. This is in contrast with such radical proposals as that for county consolidation, or for marking out so-called natural districts. Gradual centralization would not interfere with the short ballot movement, which certainly ought to be encouraged, and it would not interfere with setting up a distinctly *limited* so-called county manager.

Objection to a full-fledged or genuine county manager lies in the fact that he would stand between the professional officer such as the county engineer, the health official, or the school superintendent, on the one hand, and the respective state departments with which they ought to be associated, on the other. No manager should have authoritative control over these professional local officers. They should be tied up to state departments. But if the county manager is strictly limited, so that he becomes chiefly a "staff" officer, and not a chief executive, there is much to be said for creating the office. The agitation for a *chief executive* for the county is based upon fundamentally wrong assumptions. That is one reason why it makes so little headway.

Finally, it may be said that it is only through some scheme of moderate centralization that we will ever be able to equalize tax burdens—a problem that is of very great importance. The costs of government service such as charities and highway construction, for instance, bear no constant ratio to population, area, or assessed values. The only way to adjust unequal burdens when they exist is through the state. A moderate degree of centralization obviously would greatly facilitate these needed adjustments.

North Carolina Centralizes

"THE county in North Carolina will gradually fade from the picture"

BY PAUL V. BETTERS

American Municipal Association

THE primary purpose of the present article is to present information with regard to the manner in which the state of North Carolina has gone about its work in organizing and administering the provisions of the revolutionary county government statutes passed in 1931. It is unnecessary at this time to describe in detail the features of the recent county government statutes since previous issues of the REVIEW have already considered these developments.[1] The emphasis for the present, therefore, will be devoted to what has been experienced on the administrative side.

In considering these experiences it may be well to make certain preliminary statements. The first of these is that, in the final analysis, the real reason for North Carolina's action in transferring local functions to the state government is a fiscal one. When the county government laws were being considered by the general assembly the problem discussed was purely the tax problem.

Secondly, the state has perhaps given closer study to the problems of local rural government, especially in their financial aspects, than any other commonwealth, and the action taken represented some five years study of the whole problem.

THE 1931 LEGISLATION

It will be recalled that the 1931 general assembly, largely as a result of Governor O. Max Gardner's leadership, provided for the passage of three remarkable pieces of legislation all of which, in one way or another, reflected the ambition to lower general property taxes. That these measures reduced such taxes approximately $12,000,000 accounts in great measure for the almost unanimous public support (including that of the local county officials themselves) of these measures.

The State Road Law provided chiefly for five things: First, the transfer of the maintenance and support of all county roads to the state, the abolition of all county and township road boards, and no tax levy by the counties for road maintenance or construction. Second, the maintenance of county roads from the gasoline tax, which was increased from five cents per gallon to six cents, and an appropriation of $6,000,000 per year made for county roads. Third, the designation of the boards of county commissioners as liaison units between local communities and the state highway commission and the appointment of a state director of local roads to deal with local communities. Fourth, the transfer of all county prisoners and chain gang camps from the counties to the state, and the employment of county prisoners on roads and highways, thus ridding the state of its spotted chain gang systems, relieving the counties of a burdensome and annually mounting expenditure and permitting better treatment of prisoners. Fifth, the reorganization of the state highway commission with a chairman and six members representing the state at large instead of a chairman and nine district commissioners each with large independent powers in his own district.

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[1] Readers are referred to an article on "North Carolina's New Plan for Controlling Fiscal Affairs" which appeared in the June, 1931, issue, and an article entitled "State Centralization in North Carolina" which appeared in the September, 1931, issue. Readers are also referred to an article by Governor O. Max Gardner of North Carolina which appeared in the *Saturday Evening Post* for January 2, 1932.

The Educational Act, under which the state government was made responsible for the constitutional six months' school term, grew out of a serious financial situation. Rising costs of education, coupled with the inability to collect local taxes, had placed some counties on a script basis. A number of teachers in the public schools had not been paid in full for their services in the previous year. In spite of a twenty-four year effort to equalize the county tax rates for the support of the six months' school term by means of an equalization fund, there was still a wide range of tax rates among the several counties. Out of this general condition was born the principle of complete state financial support for the constitutional six months' school term.

The school legislation as passed provided for the underwriting, on the basis of state standards of cost, of the operation of the constitutional term in every district. And it provided further that this state support was to be derived as far as possible from sources of revenue other than taxes on land. Naturally state support of schools from sources other than taxes on land made it mandatory that limitations be imposed on school expenditures. It may be well to point out at this stage that the general assembly was able to effect reductions in school expenditures in many places.

The legislation did not result in complete substitution of state control over local control and initiative. While the legislature had no pattern before it when it framed the administrative machinery necessary to carry out the provisions of the law, it succeeded in many respects in retaining local sovereignty. Nevertheless adoption of the new policy represents a fundamental change in the concept of education as a governmental function.

CONTROL OF LOCAL CREDIT

Finally, the Local Government Act provided for drastic control over the incurring of debt by local units, vested in the state government supervision over the investment of sinking funds of local units, and applied budgetary, accounting and tax collection control over county and other local finances. The act expanded in large degree upon the county government finance laws of 1927 and 1929.

As a matter of fact, since passage of the earlier county government laws, the state had been leading up to some form of control over the use of credit by local units. What hastened the action was the magnitude of the tax burden and of the public debt. The danger point had been approached and with the default of about thirty local units the general assembly lost no time in formulating a drastic piece of legislation. Certainly no student of government would advocate such procedure in other states without thoroughly studying the situation since it comprehends a complete change in our democratic structure with regard to the rights of local officials to govern their communities. What is singularly interesting is the fact that little or no opposition was registered to state control of the above character.[2]

[2] For a complete analysis of North Carolina's action, including the historical backgrounds, the reader is referred to *State Centralization in North Carolina,* The Brookings Institution, 1932. 260 pp. An appendix in this volume carries all of the major statutes.

HIGHWAYS

The transfer to the state on July 1, 1931, of 45,000 miles of county highways occasioned many major problems. Since the highway problem in North Carolina is now principally one of maintenance, the state was divided into five divisions, each division consisting of approximately 11,000 miles of highways, approximately 2000 miles of which were marked and designated as state highways and the remainder as local roads. An experienced engineer was located in each of these divisions, with large discretionary power.

Each of the five divisions in turn was divided into five districts, comprising an average of four counties; fewer in the case of larger counties and more in the case of small counties. For each of these districts there was selected an experienced highway engineer, chosen largely from the personnel of the old state highway commission but in some instances from the personnel of the former county highway commission. The districts comprising on the average about 2200 miles of road were in turn again divided into sections, and the patrol system of maintenance was established. For the purpose of accounting the expenditures on the state highways are kept separate from the expenditures on the local roads and for the most part the section foreman or patrolman finds his section composed entirely of either one class or the other. In some instances for convenience the section is composed in part of state highway mileage and in part of local road mileage. The sections average about forty-five miles each but they are so grouped that the patrolman is rarely required to go more than six or seven miles from the center of his territory.

One of the fears entertained about the new system was that, on account of the immense mileage widely scattered over the whole state, the roads of outlying communities would be neglected. This danger was obviated by grouping local roads in each community; and by giving the section foreman, a resident of the community, sufficient authority and discretion to meet all emergencies without waiting to communicate with a superior authority. The result has been that many sections of the state, remote from local seats of influence, now find themselves with one of their own citizens engaged in daily rounds upon their roads, giving them much closer attention than was received under county management.

SHORT-TERM PRISONERS AND ROAD MAINTENANCE

Closely associated with road maintenance is the problem of short term prisoners. For a long time it had been the practice in North Carolina to sentence such men to work upon the public roads. About half of the counties of the state maintained prison camps for this purpose, and prisoners from any of the other counties were transferred to such counties as had established prison camps. On July 1, 1931, when the state assumed control of the roads, it was required to take over these prisoners who numbered at that time 3713 men. The number has since grown to nearly 4,000. Under county management these prisoners were used principally in construction gangs for the building of new roads. The state commission immediately began the construction of new camps and the scattering out into wider territory of these prisoners, in order to make them available for extra work gangs on the maintenance of highways.

The general assembly of 1931 established a state department of purchase and contract and incorporated as one of the units of that department the existing state highway purchasing department. At the present writing all machinery, together with its repairs, and all supplies, including oil and gasoline, are purchased under contracts made by this department.

When the roads were handled by more than a hundred county and township organizations, many of them without sufficient funds to employ competent accountants and without any uniform and well established system of accounting, it was impossible to develop cost records that were of much value as guides to the administrative officers. Under the state system, with the valuable assistance of the bureau of public roads at Washington, an accounting system has been set up that constantly reflects to the administrative officers the details of the entire operation. At the time this is written, statistics regarding the first nine months of operation were made available to the writer. The survey conducted jointly by the bureau of public roads, the state tax commission, and the state highway commission showed that the counties spent for maintenance during 1930 a total sum of $6,567,146.86.[3] Many of the poorer counties, however, had almost no organized maintenance. In fact, forty of the poorer counties spent an average of only eighty-five dollars per mile upon their road systems. In many of them no regular patrol system existed and hundreds of miles of road received no attention at all. For this year the state highway commission budgeted for the maintenance of the local roads the sum of $6,000,000 and the state, of course, had to make its system of maintenance cover the entire road system of all counties. The records at this writing show there has been expended on county maintenance betterment and construction, $4,442,281.04. Assuming that the remaining three months will call for about the same average expenditure, it will be seen that total expenditures will be under the budget allotment.

Public opinion in the state seems to be entirely in favor of the new highway law. When it is recalled that this year no property taxes of any kind are being levied for highways, that this action has relieved property of a gross levy of $5,250,000, that apparently a more complete and unified highway service is being rendered, it can readily be seen that rural people especially, are favorable to the state support plan.

PUBLIC SCHOOLS

In writing the school machinery act under which the principle of complete support was to be made operative, the general assembly had no pattern to guide it. It had to rely wholly upon its own judgment. It succeeded, however, in presenting a law which is remarkably clear.

No other state, with the possible exception of Delaware, has tried either to finance the total cost or to operate the schools as a state system. Yet both of these things were accomplished by this act without interference with local control and initiative. No parts of the old law were discarded except such as were in direct conflict with the main principle.

The school committee is retained in the rural schools and, with the approval of the county superintendent, it selects the teachers. Although the state pays the entire operating cost, no one can send a teacher into a school community without the consent of the school committee through whom the people speak. The boards of trustees in charter districts select their own teachers and superintendents as heretofore, and exercise control over the policies of the schools to the same extent as in the past. The law in no way interferes with their powers and duties.

The county board of education, nominated by the people and appointed by the general assembly, is retained with widened and increased powers. The local people are still in charge of the administrative procedure. The county board of education still elects the county superintendent, organizes the schools, employs truck drivers, lays out truck routes, and exercises its discretion over the business affairs of the schools as fully and freely as ever.

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[3] Cost of maintenance alone. Total road expenditures of all counties and townships during 1930 reached a total of $8,233,280.93, excluding transactions covering short-term notes executed and paid during the year.

No one is better qualified to comment upon the experience under the new law than Dr. A. T. Allen, North Carolina's state superintendent of public instruction. In a memorandum to the writer on April 1, he writes as follows:

> The operation of the six months' schools has been more satisfactory than any of us had reason to expect when we began last fall. The appropriation made by the legislature has proved sufficient to pay the bills necessary for the operation of the six months' schools within the objects of expenditure assumed by the state. . . .
>
> I have been surprised at the unanimity with which the local administrative school officials have accepted this new principle of school support. . . . Even cities like Asheville and Charlotte which at first were most doubtful were convinced that they have had a much easier time operating their schools than they would have had under the old law. I believe I would be safe in saying that the principle of state support now has the approval of ninety per cent of the administrative officials in school work.
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> Of course, there are many little nagging things in the law that cause considerable worry and some trouble. These can easily be remedied by the general assembly if it sees fit to continue the principle.

COUNTY FINANCE

In the carrying out of the Local Government Act, the commission has employed in addition to the office force, field men to advise and assist in a friendly and coöperative spirit. Considerable improvement has already been made in the financial condition and administration of the counties.

With respect to the debt control features of the law, the policy of the commission has been to allow local units to refund any reasonable amount of indebtedness already incurred, when the annual payments are large, but it has not allowed any bonds to be issued for new debts except in emergency cases. The amount of revenue anticipation loans has been greatly reduced. Securities have been sold by the commission at far more favorable terms than the local units have received. Local authorities are wholeheartedly coöperating with the commission, the act has been well received, and the showing which has already been made has proved workable and beneficial to the local units of government.[4]

TAXATION

Through the above measures the state was successful in making a definite tax reduction which has been felt in a material way by the taxpayers. The new plan of school support relieved property of an average of 32½ cents for the six months' term. (County rates for the six months' term in 1930 averaged 47½ cents.) This reduction itself amounted to $9,650,000. The road legislation relieved property of a gross levy of $5,250,000. The net reduction from the road legislation was, however, only $2,500,000—a reduction in rate of 8½ cents. The counties last year used $2,750,000 of the three-million-dollar state aid fund for road debt service. When the state assumed the complete cost of road maintenance, it did not, of course, continue this three-million-dollar appropriation. The total reduction in rate resulting from the school and road legislation was forty-one cents on an assessed value of $2,975,000,000, or $12,160,000 in taxes.

The total property tax levy in 1930 was $60,000,000. The twelve-million-dollar reduction represented a decrease of 20 per cent in the levy of all units.

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[4] See *United States Daily*, April 8, 1932, for statement by Governor Gardner regarding the operation of the act.

This decrease in property taxes is, of course, not reflected uniformly throughout the state. Counties formerly having the highest rates for schools and roads received the biggest reduction in rate. Rural property, on the whole, received a larger percentage reduction in rate for schools and roads as rural property; but town property also bears an additional rate for municipal purposes, and the 1931 legislation provided no reduction in levies for strictly municipal purposes except the incidental check in their increase arising from state supervision of municipal debt.

A comparison of the 1931 rates and assessed values with the 1930 rates and valuations has been made for ninety-one of the one hundred counties in the state. This comparison shows that the average total reduction in rate in 1931 from 1930 is 33 cents and that the 1931 valuations are 5 per cent under 1930 valuations. If this reduction should hold through for the other nine counties, the total reduction in property taxes levied by counties will aggregate $9,750,000. This study shows further that except for a net increase of $2,400,000 levied for debt service the actual reduction of the tax burden on property in counties alone would total $12,250,000. The comparison of district and municipal levies in 1931 with 1930 has not yet been made. Preliminary examination of annual reports clearly indicates a substantial reduction, but not nearly as large as is shown in county levies. The indication is clear, however, that the total actual reduction will reach twelve millions.

State revenues are holding up fairly well. Up to March 31, income tax collections from individuals and from foreign corporations exceeded collections from these sources for the entire preceding fiscal year. While some of the collections from the various schedules are not reaching the estimates made when the 1931 legislature adjourned, it seems apparent that the program will stand up.

CONCLUSION

It is perhaps possible to draw some conclusions concerning North Carolina's experience which might have some general interest. In the first place, people in the state are willing to adopt almost any new system, structure or plan of government provided it offers definite tax relief.

Secondly, on the basis of present available information it can be stated with some definiteness that the state has maintained the roads which over one hundred local rural road organizations formerly maintained, more efficiently, has given an improved road service, and has done so at a substantially decreased cost. Factual evidence as to schools is not yet in such form as to be able to give any definite picture. Suffice it to say, had not the state assumed financial responsibility for operating the schools, in more than one county the citizens this year would have experienced closed school houses, no teachers and shortened terms.

A particularly interesting conclusion can be drawn with reference to the county manager movement. Today, in a state which has had more county managers than any other state, there remains but one real county manager (in Durham County). With the liquidation of functions from the county there is left in the county insufficient administrative work to occupy the full-time efforts of a county manager. North Carolina pioneered in the county manager direction in 1927; now, under its new policy, it has no vital need for the county manager plan.

The county of North Carolina will gradually fade from the picture (if it has not already done so). It can thus be realized that the current movement and agitation, visualizing a unified county government has little application to North Carolina.

The County, the Logical Public Health Unit

REASONS why the county is preferred over other units of local government

BY M. E. BARNES, M.D. *State University of Iowa*

IN approaching this subject it is desirable to present briefly the following six general considerations:

1. THE CONCEPT OF PUBLIC HEALTH IS UNDERGOING A CHANGE

The basic objective of public health work is now, as it ever has been, the prevention of disease. A profound change is taking place, however, in our conception as to what this involves and as to the methods whereby it may be attained. Formerly, communities were disposed to adopt a purely defensive attitude toward disease. They waited until mounting morbidity rates indicated not the approach, but the actual presence in their midst, of an epidemic. Roused to action they quarantined the known victims, often ignorantly leaving channels of infection wide open; they closed the schools, usually neglecting other agencies for congregating the children; and at times adopted measures excusable only on the basis of hysteric fear. One classic example of such absurdity was when a small city expended $2,500 in fumigating a lumber yard where a vagrant suffering from smallpox had been found.

Under the new concept, due consideration is given to the fact that individual resistance is a determining factor in the development of disease; that the various pathogenic organisms require certain conditions for growth; that they follow certain general paths in their transfer from individual to individual; that prevention is possible by blocking these channels and by building up individual resistance; and that the most effective defense lies in taking the offensive. Under such a conception it is no longer permissible or, in fact, excusable for a community to await passively the onset of transmissible diseases. By proper aggressive action the likelihood of such outbreaks may be materially reduced, and the extensiveness of such epidemics as do occur, controlled.

2. COMMUNICABLE DISEASES RECOGNIZE NO LEGAL BOUNDARIES

Communicable diseases never did recognize legal boundaries. However, such isolation as these boundaries once implied has been completely abolished by the improved roads and the universal use of the automobile. In so far as health conditions are concerned, entire counties and even entire states are in reality a single community.

3. PUBLIC HEALTH WORK IS A SPECIALTY

Modern public health work is a specialty, requiring personnel adequately and specially trained. Physicians and nurses are not by virtue of their ordinary professional training qualified for conducting this work. Post graduate work, or at least intensive specialized training, has become a necessity if a comprehensive health program along modern and sound lines is to be carried out. This applies also to inspectors and other members of the staff.

4. WHOLE-TIME HEALTH SERVICE IS ESSENTIAL

The problems involved in modern health work are so extensive, so complicated, and of such great importance as to require the whole-time service of the staff. No adequate health work is possible under a system of part-time or volunteer service. Responsibility must be placed for the control of conditions affecting health just as it is now placed for the control and prevention of fire, ignorance, and crime. This consideration alone places adequate health service beyond the financial reach of all communities acting individually except cities of sufficiently large size.

5. PUBLIC HEALTH SERVICE MUST BE ESSENTIALLY LOCAL IN CHARACTER

Permanent advance in public health is possible only in so far as it is based upon public coöperation. The latter, in turn, involves recognition of individual responsibility, for each individual either augments or aids in the solution of a community's health problems. Except in times of great emergency, however, there is little sense of individual responsibility extending beyond the community in which the individual feels that he has a direct and somewhat obvious share. For this reason, valuable as are the national and state health organizations, the local department of health is the most important of all health organizations in so far as the residents of a given community are concerned. Through it alone does a community become health conscious and develop a health conscience.

6. THE ENFORCEMENT OF HEALTH LAWS IS BASED SOLELY UPON POLICE POWERS

The benefits of modern health service to a community are secured chiefly through persuasion. Hygiene, like morals, is an expression of community character rather than the result of repressive legal action. No health department, however, could long function without the power to force recalcitrant individuals to conform their actions to the common good. The legal power behind a department of health rests solely upon police power, and this resides in a governmental unit. Consequently, the jurisdiction of a health organization must coincide with recognized governmental units.

THE COUNTY AS A BASE OF OPERATIONS

These general considerations indicate that the base of operations must be large enough to cope with health problems efficiently; it must be small enough to capitalize the local sense of responsibility; and it must coincide with established governmental units. The base is limited, therefore, to units of local government or to combinations of such units. Of these, there are in our system of government the township, town, city, and county.

The township and town are ruled out by the general considerations outlined above. They provide too small a base, and cannot support an effective service. The chaos of such a scheme of organization is evidenced in one state which has 1,610 township and 813 town boards of health—a total of 2,423 local boards of health, each of which employs a part-time health officer. The remuneration paid to these health officers is not worthy of being called remuneration at all, and such service as they render represents almost entirely a contribution on their part. Cities of sufficient size may and do support health work on a more satisfactory basis, but the benefits of such work accrue to the residents only, and are lessened by the lack of such service in the surrounding communities.

As a general rule, the county affords the most logical base of health organization. It is large enough to bear without undue burden the financial load. It provides the largest unit of local government, in which the sense of local responsibility can be capitalized.

Rural and urban dwellers cannot escape the fact that their health problems are common. Neither, acting independently, can solve these problems. This has been amply demonstrated by past experience, yet there exists a strange community blindness when the proposition is raised for effecting a change. This is not true regarding the combatting of ignorance and crime. It has long been recognized that independent action is futile and that county-wide jurisdiction is essential. The prevention of disease and the promotion of health are infinitely more difficult than either of these. To attack health problems under the archaic system of township and town governments is not only hopeless, it is absurd.

The ineffectiveness of this plan is evidenced by the data presented before the White House Conference on Child Health and Protection which shows the great disadvantage of rural pre-school children as compared with city children of the same age. From the rural population there continues to come a very considerable proportion of our leaders in state, national and international life. As has been pointed out, the cost of securing health protection is prohibitive for these communities acting individually. How then shall such service be made available to them?

POOLING AVAILABLE RESOURCES

The answer, fortunately, is simple; and may be summed up in one word—coöperation. By pooling available resources, there are comparatively few counties which would be unable to support a county-wide health department. In hundreds of counties in Alabama, Ohio, Kentucky, Michigan, North Carolina, Virginia, and various other states, such units have been successfully operated for years on annual budgets ranging from 35 cents to 50 cents per capita.

The limits of this article preclude a full discussion of the advantages of this arrangement or the citing of illustrative data. Among the advantages which have accompanied the development of these units have been:

1. Increased reporting and consequent more effective control over communicable diseases.
2. The locating of hidden cases of tuberculosis, care for contacts and for the cases, eliminating the latter from food handling and other dangerous occupations.
3. Declining morbidity and death rates from the group of preventable diseases.
4. Improved health and dental inspections among school children, and the correction of defects.
5. More adequate prenatal, maternal and infant care.
6. Improved environmental hygiene, relating specifically to private and public water supplies, the disposal of night soil, and the abatement of nuisances.
7. Supervision of the production and handling of milk.
8. Supervision of the health of food handlers.
9. More adequate measures for the control of venereal disease.
10. The development of what may be termed a community conscience in matters pertaining to health, evidenced by increasing individual coöperation.

Taking into consideration the low cost of operation when the county is used as the base, the high degree of efficiency with respect to service for both urban and rural inhabitants, the economic saving in illness prevented, the emotional saving in connection with deaths prevented and the immeasurable assets to a community in having on duty day and night a corps of trained fighters of disease, it is conservative to say that no county can afford to be without a whole-time county department of health.

The Indiana Township—An Anachronism

THE Indiana township and its trustees are fighting for existence

BY FRANK G. BATES

Indiana University

IN Indiana as elsewhere the present economic depression is reflected in decreased tax receipts and increased expenditures for public relief which have in turn brought demands for greater efficiency and economy in local government. The township has become the storm center of the agitation.

DUAL TOWNSHIPS

Indiana belongs to that group of states in which the performance of the functions of local government is apportioned between the county and the township. The whole area of the state is divided into something more than one thousand townships which in many parts of the state have no geographic relation to the "congressional" townships. The state is fortunate in the fact that although the township is mentioned repeatedly in the state constitution the only mandatory provision therein is that "a competent number of justices of the peace shall be elected in every township." With respect to other matters both of organization and functions, the legislature is given free hand by the prescription that "Such . . . . township officers as may be necessary shall be elected, or appointed, in such manner as may be prescribed by law."

Legally there exist two corporate entities superimposed, the "civil township," including the whole area of the township, the territory of the incorporated cities and towns as well as that of the rural districts; and the "school township," which excludes the area of cities but not of all incorporated towns. This duality was created primarily to double the capacity of the community to borrow money, since all municipal corporations are restricted in their borrowing power to an amount equal to two per cent of their assessed valuation.

During the last half-century there has been in Indiana a trend toward centralization of control and of function more pronounced than in neighboring states, particularly in the fields of public health, education, public utilities and finance. This trend is especially noticeable in the latter field, where the control by the state tax commission and the department of supervision and inspection of public offices has attracted widespread notice as the "Indiana plan."

TOWNSHIP LOSING POWERS

Within the county the same tendency to centralization has manifested itself to a somewhat lesser extent. While outdoor relief is still administered by the township, indoor relief which is administered in the county home is a charge on the county. Likewise, while the assessment of property for taxation is a township function, it is performed under the supervision of a county assessor. The construction of improved highways, aside from city and town streets, has been until recently exclusively at the expense of the township, although the specifications are prepared and contracts awarded by the county commissioners. Moreover, upon completion the highways pass immediately under the administration of the county highway superintendent and become a part of the county system. By recent statute many arterial highways have been taken over and improved by the county as "county unit" roads. Thus only the unimproved or "mud" roads are maintained by the township.

In educational affairs centralization within the township has resulted in the abolition of all school districts, although in remoter regions the one-room school still lingers. The school property of the school township, which it will be remembered excludes the incorporated cities, is administered for the township by the trustee, who also purchases supplies, contracts for the transportation of pupils and employs the teachers. The supervision of instruction is in the hands of the county superintendent of schools, who is elected by the trustees of the several townships sitting as a county board of education.

THE TRUSTEE NOT SATISFACTORY

The principal township officials aside from justices of the peace, are the assessor, the advisory board and the trustee. The assessor is elected by the voters of the township and displays all the weaknesses of the elected assessor everywhere. The advisory board of three members receives the budget prepared by the trustee, authorizes allowances, makes appropriations, levies township taxes, and issues bonds. Of the four chief functions of the township, three, viz., roads, poor relief and education are administered by the trustee, who is the target of most of the present criticism of township government. He prepares the budget, acts as treasurer and expends the funds of the township. With the development of improved highways his activities in that direction have become progressively unimportant and negligible.

The administration of school affairs by the trustee has given rise to great dissatisfaction throughout the state. In spite of the state department of supervision and inspection of public offices and the state department of education, there is evidence of widespread graft and corruption in the purchase of supplies and school buses and in the contracting for the transportation of pupils. Nepotism, petty politics and even positive corruption in connection with the hiring of teachers are not unknown. There is a general conviction that there is excessive waste and misuse of funds in township school administration. Under the methods of election by township trustees the office of county superintendent has been made a political one in many cases with the result that these officials have not compared favorably with city superintendents selected by city school boards, nor have they been inspiring educational leaders in the rural community.

A growing popular dissatisfaction with the rural educational situation has led in recent years to a movement for the centralization of educational administration in the county under a county board of education and a county superintendent selected by that board, a proposal modeled after the existing system in incorporated cities which has proved generally satisfactory. The township trustees, however, have a militant state-wide organization which has thus far been able by an active lobby to defeat every effort to get a "county unit" bill through the general assembly.

MISUSE OF POOR FUNDS

The administration of outdoor poor relief by the trustee does not in ordinary times, outside the townships which include the larger cities, involve the handling of any considerable sums of money. The last two years, however, have seen the sums paid out for relief, even in rural areas, swell to proportions relatively large. Here, too, reports come in from many localities, rural as well as urban, of the gross misapplication of funds. To some extent this situation is due merely to the incapacity of honest trustees to meet an unfamiliar and at best a difficult task, but in many places there has undoubtedly been positive malfeasance. Well substantiated stories are rife of padding of grocery orders, payment for food and food supplies which are never delivered, assistance to those not in need and to large numbers of repeaters, and various forms of collusion between trustees and dealers; of trustees financially interested in firms with which bona fide or "phoney" orders are placed; of coal ordered to be delivered at vacant houses, and numerous other forms of shady transactions. Such proceedings have been legally brought to the door of more than one trustee.

The result has been a renewed outburst of feeling against the office, and a demand that it be abolished and the functions transferred to some appropriate county authority. It is believed by many that if those demanding this change will join forces with advocates of the "county unit" of school administration the combination may be able to overcome the trustees lobby in the next general assembly.

MUST THE TRUSTEE GO?

Various measures of reorganization are suggested and some proposals are almost sure to be presented at the next legislative session.[1] One suggestion is to abolish the township altogether and impose its present functions upon corresponding county officials. Another is to consolidate all townships in the county into a single one, coterminous with the county, with appropriate county officials performing the township functions. These plans meet with the objection that inequalities in public improvements and outstanding indebtedness among the several townships would arouse objections and make necessary somewhat perplexing financial readjustments. Although township consciousness and loyalties are generally weak if not non-existent, it is pointed out that in some quarters there would be opposition to these plans on grounds of sentiment.

A plan, less sweeping and more likely to find expression next winter before the general assembly, would retain the corporate existence of the civil and school townships, but abolish the office of trustee and probably those of the advisory board. Their present functions would then be consolidated in the hands of the corresponding county officers. The county highway superintendent could readily assume the attenuated functions of the trustee with respect to roads. The education functions would be transferred to a county board of education and to their appointed superintendent as already proposed in the "county unit" bill. There being at present no appropriate county authority for poor relief this would be met by the creation of a welfare board, or preferably a superintendent of county welfare.

The extent of the resulting economies is, of course, problematical, but it seems assured that the elimination of waste or worse and the efficiency gained through central administration of these functions would result in a considerable gain both economic and social. Any attempt to place such a plan upon the statute book will meet with strenuous resistance and the welkin will ring with fervid appeals that the God-given "right of local self-government" must be preserved and the "genius of our constitution" be not violated.

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[1] Several bills having as their objectives the abolition of the township, their consolidation, the curtailing of their functions and the abolition of the office of trustee are now before a special session of the general assembly which convened on July 7.

Planning for Improved County Government In Virginia

VIRGINIA has a *plan* for her counties, part of which has already been put into practice

BY ROBERT H. TUCKER

Virginia Commission on County Government

THROUGH legislation enacted at the 1932 session of the general assembly, Virginia has laid the foundation for a thoroughgoing reorganization of county government. Other states have adopted from time to time measures more far-reaching in their effects upon particular phases of county organization and procedure. Few states have hitherto adopted so complete and well rounded a program.

FEATURES OF THE VIRGINIA PROGRAM

The central point of the Virgina program lies in the provision for complete forms of county government which may be made effective in any county when approved by the qualified voters of the county. These forms include a *county executive* form which is sufficiently flexible to be adapted to counties of varying sizes and conditions, and a *county manager* form which is intended especially for urban counties and larger rural counties.

Both forms contemplate the consolidation of the county functions under a few major divisions, or departments, and the concentration of all the financial and technical affairs of the county under a policy-forming board of county supervisors, limited in number, elected on a county-wide basis, and provided with a competent executive head. The object is to promote unity of effort through the establishment of definite lines of control, to place responsibility, and to clarify the processes of county government to the people.

Additional measures provide for the voluntary consolidation of counties, for the joint employment of officers by two or more adjoining counties, or by counties and towns, and for the correction of certain major defects in the existing organization of county government in Virginia. The measures applicable to the present county organization are designed particularly to improve the county financial procedure, to safeguard county indebtedness, and to empower county boards of supervisors to require reports and to investigate the finances of the general county offices.

Other acts of the general assembly, developed apart from the county government program, abolished the fee system as a method of compensating county treasurers and commissioners of the revenue and placed all local highway systems, comprising more than 40,000 miles of county roads, under the jurisdiction and control of the state.

BACKGROUND AND ANTECEDENTS

The adoption of this significant body of legislation did not come through revolutionary change. It was preceded by more than a decade of thought and discussion on the subject of local government in Virginia, marked by the publication of three comprehensive reports on county government and the passage of numerous measures designed to improve the organization and operation of the counties. In this way conspicuous improvements were effected in the operation of several Virginia counties. One county has recently set up a full-fledged county manager plan.

In the meantime the chief obstacle to the improvement of county government in Virginia lay in the state constitution. There for generations the present scattered and disjointed form of county organization had been embodied in most essential particulars. This obstacle was removed in 1928 when the constitution was so amended as to permit the counties to select by popular vote the character of their government from complete forms of organization to be provided by general law.

Pursuant to this constitutional change, the general assembly of 1930 provided for the creation of a continuing commission on county government. The duties of the commission were to draft a general law setting forth optional forms of county government, for submission to the general assembly of 1932; to analyze and interpret statistics as to the cost of county government; and to inform the citizens of the counties concerning the conduct of their governmental affairs. A comprehensive report on the organization and management of county government in Virginia represents the first fruit of this commission's labors.

COUNTY CONDITIONS IN VIRGINIA

The chief weakness of county government in Virginia lies, the commission found, in the form of organization through which the counties of the state are compelled to function.

In some respects the conditions of county government in Virginia are simpler than they are in many other states. Virginia is still predominantly an agricultural state and it has never developed to any considerable degree the idea of special districts, with the resulting overlapping and often conflicting jurisdictions. Moreover, Virginia is unique among the states in providing for the complete separation of cities, financially and politically, from the counties in which they are located. Yet it is no exaggeration to say that county organization in Virginia is amazingly complex.

GENERAL PLAN OF COUNTY ORGANIZATION

This organization consists of some thirty or forty separate and distinct offices, manned by from sixty to ninety administrative, or semi-administrative, officers. Many offices have been continued for little reason except that they have come down from past generations. Others have apparently been tacked on to meet new demands as they arose.

The county officers are responsible to various sources of authority. Approximately one-third of these officers are appointed by the circuit judge. Some are appointed by state boards or departments. A large number are appointed by the county board of supervisors and subordinate county boards, and the rest are elected by the people of the counties.

It is thus a truism to say that there is no central authority in the counties; no head of the county government at all. The county board of supervisors, the nominal head of the county, can exercise but little control over the county as a whole. Its jurisdiction is limited to such activities as the construction and maintenance of roads, the supervision of public property, the care of the poor, and the determination of the tax levy. It functions side by side with numerous officers who are elected in the same manner as the members of the board.

Waste and inefficiency are inevitable under these conditions. Systematic planning from the point of view of the county as a whole is impossible. Duplication of functions and expenses is unavoidable. Moreover, in the maze of officers and boards the people have no means of controlling, or indeed of comprehending, the processes of their government. The county is thus not only wasteful and inefficient, but irresponsible and undemocratic. It presents a picture of administrative confusion which violates almost every principle of sound business organization.

FINANCIAL INADEQUACY

The conditions just described are complicated and intensified by two other problems. One of these is the expensiveness of the smaller unit in road building, public health work, public welfare work, and other county functions. The other is the problem of the poor county, the county which has not the economic ability to provide the services necessary to meet the requirements of modern community life.

There are many counties in Virginia which are clearly unable to meet these requirements. Thirty-one counties of the state, almost one-third of the total, have fewer than 10,000 inhabitants, while several counties have fewer than 5,000 inhabitants. In twenty-nine counties the estimated wealth subject to local taxation is less than $10,000,000. In four it is less than $5,000,000.

THE REMEDIES PROPOSED

With a view to remedying these conditions, the commission on county government recommended the adoption of a six-fold program, as follows:

(1) Provision by general law for two optional forms of county organization—a county executive form and a county manager form.

(2) In connection with these forms, the abolition of the fee system as a method of compensating public officers, except certain part-time officers having a regular occupation aside from the government service.

(3) The passage of a general law affording the counties that so desire the opportunity to consolidate or to unite with adjoining counties or towns in the formation of areas in which certain county functions may be combined under one administrative head.

(4) The passage of a law sharply reducing the number and jurisdiction of justices of the peace and requiring each county to appoint a trial justice, either separately or jointly with one or more counties.

(5) The passage of a law empowering the board of supervisors of the county to appoint the county school board.

(6) The passage of a number of special measures designed to correct specific administrative defects. These measures were applicable especially to counties operating under the present form of county organization in Virginia. They provided particularly for effective budgeting and auditing control, centralized purchasing, safeguarding county indebtedness, and the employment of county road engineers.

The proposals included the abolition of numerous minor county offices, comprising more than 2000 officers, such as surveyors, coroners, constables and justices of the peace, and the transfer of their functions to the proper divisions of the county government.

THE OPTIONAL FORMS

The county executive form is a modification of the county manager idea. It is designed to afford a form of organization sufficiently flexible to be adapted to counties of all sizes and conditions, as well as to meet the requirements of counties which may be unwilling to accept the manager form in its full technical sense.

Under the county executive form the board of county supervisors is empowered to appoint a chief executive—a full-time officer or the head of one of the divisions of the county government—to serve as the administrative head of the county. The county executive would carry out the policies determined by the board, coördinate the affairs of the county and see that efficient methods are installed. Other county officers would be appointed by the board on the recommendation of the county executive.

In the county manager form administrative authority is more definitely concentrated under the manager. In this case the manager appoints the department heads and subordinate officers and assumes full responsibility for directing and supervising the work of the various departments. The manager form provides a greater concentration of administrative responsibility. The executive form has the advantage of being more flexible.

Both forms vest the general powers of the county in a board of county supervisors composed of not fewer than three or more than seven members and elected, one from each magisterial district, by the voters of the county as a whole. The board is the legislative or policy-forming body of the county, charged with general responsibility for all the financial and technical affairs of the county. Both forms provide also for the appointment of all the county officers, except the clerk and the commonwealth's attorney; for the abolition of the fee system; and for the consolidation of the county functions into a small number of divisions or departments. The board is further empowered to transfer, allocate or consolidate functions; and provision is made for the coöperation of state and county authorities in the appointment and direction of certain local officers engaged in performing services for both the county and the state.

OTHER FORMS CONSIDERED

Naturally a question may be raised as to why the commission did not include a greater variety of forms of county organization in its proposals. For this there are several important reasons.

In the first place, the commission concluded that it would be wiser to hold to a few simple forms known to be effective than to attempt to present all possible varieties of choice. Too many forms might easily lead to confusion in the minds of the voters. The commission felt also that when the people of the counties are aroused to the point of reorganizing their local government, this reorganization should be reasonably thorough and effectual. It discarded, therefore, numerous plans involving minor modifications or superficial changes in administrative structure, which too often have been mistaken for real and lasting governmental reform.

In the second place, the investigations of the commission indicated that among those counties which have recently modified their governmental structure, the most substantial results have been achieved through the development of strong executive control.

Similar reasons led to the rejection of the county commission form, which in last analysis would mean government through a multiplicity of heads rather than through a single responsible head.

The county administrator, or elective manager, form of organization cannot be so easily dismissed. This form has much to commend it, and the elective feature appeals strongly to a considerable portion of the voting population. Aside from the well-known technical objections to this plan, the commission concluded that it is ill adapted to conditions in Virginia, which has no civil service system and is unlikely to develop such a system in the near future. Through the unrestricted power of appointment, the plan would concentrate an enormous amount of power in the hands of a single individual and afford unlimited opportunity for the creation of a personal political machine. In a state with a well-developed civil service system, the answer might well have been different.

RESULTS IN THE GENERAL ASSEMBLY

While not all of the proposals were adopted by the general assembly, the vital points of the program were enacted into law. The bill providing the optional forms of county government was adopted with a single significant amendment making the sheriff an elective officer. Likewise the bills providing for the voluntary consolidation of counties and the creation of administrative areas were passed without material change.

The independent measures suffered varying fortunes. Bills designed to extend the powers of boards or supervisors with respect to the general offices of the county, to provide for centralized purchasing, to safeguard county indebtedness, and to prevent the omission of delinquent property from the delinquent tax list were passed without amendment. The county budgeting and auditing act was passed, but vetoed by the governor partly on technical grounds and partly because the auditor of public accounts had recently developed effective plans under the existing law. The rest of the bills were defeated or killed in committee.

To the foregoing must be added the passage of a bill providing for the abandonment of fees and commissions as a means of compensating county treasurers and commissioners of the revenue, and a bill empowering the governor to remove for cause treasurers or other officers charged with collecting or accounting for public funds

An unanticipated feature of the session was the passage of the county road bill, sponsored by former Governor Harry F. Byrd. This measure abolished road work by the counties and assigned to the state the responsibility for the entire local highway system. It thus eliminates all county highway departments except in such counties as may by popular vote elect to operate outside the provisions of this act.

CONTROLLING FORCES IN THE GENERAL ASSEMBLY

The Virginia county government program is significant both for its content and for the forces and influences that brought about its adoption. Not often has so complete a program been adopted at a single session of the general assembly. Especially significant also was the action of the general assembly in assigning the administration of highways exclusively to the state. In Virginia the sentiment for local self-government has always been strong. Moreover, the various bills were not free from opposition from interested sources.

It is not easy to appraise the forces and influences which come into play in a contest of this kind. Some factors in the situation are, however, reasonably clear. The general assembly met under conditions of state-wide unrest over financial affairs. The demand for reduction of taxes and curtailment of governmental expenses was universal. The conditions and needs in this respect were forcefully expressed by Governor Pollard in his opening message to the general assembly. Moreover, the governor emphasized the work of the commission on county government as charting a new course in the development of local self-government in Virginia, and placed the strength of the state administration clearly behind the proposals made in the report.

On the whole the underlying idea of the Virginia program is to promote local self-government by leaving to local determination matters of purely local concern. The program attempts to provide a sound form of organization and then to place the responsibility squarely upon the people of the counties.

The Progress of County Consolidation

The growing sentiment for consolidation to eliminate needless costs

BY J. W. MANNING

University of Kentucky

Despite the opposition of local politicians, who have fed so long at the county treasury, and the seeming impossibility and impracticability of attainment, the idea of county consolidation persists in cropping out as we search for a solution for our county problems.

The question has been, and is now being considered by state tax commissions in a number of states, and wherever such matters are investigated the reports always recommend the reduction in the number of counties. Definite proposals for the consolidation of particular counties have been made by official bodies, the press, or civic groups in 17 states as follows: Arkansas, Georgia, Idaho, Illinois, Kansas, Kentucky, Massachusetts, Mississippi, Missouri, New York, North Carolina, Oklahoma, Tennessee, Texas, Virginia, Washington and Wisconsin. In addition, consideration is being given to the merging of counties in 15 other states: Alabama, Arizona, California, Florida, Iowa, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oregon, South Carolina, South Dakota, West Virginia and Wyoming.

PIONEER WORK OF TENNESSEE

Tennessee was the first state in the Union to consolidate any of its counties, or to propose a definite scheme of complete county consolidation. In 1919 two counties—James and Hamilton—were consolidated. At that time James County, the smaller and poorer of the two, at its own request, was abolished, and the territory added to Hamilton County, of which Chattanooga is the county seat. This consolidation has proved extremely beneficial to residents of James County, as is shown by several surveys of the situation. However, some dissatisfaction with the merger has been voiced in Hamilton County. The merger has brought about better government at less cost in the smaller and poorer county, but the taxpayers of the larger and richer county have found themselves saddled with an additional burden. Of course, the reduction in overhead has meant more economical administration over the entire area.

This merger once accomplished, further suggestions for consolidation in Tennessee were forthcoming. In 1927 the county courts in two counties agreed to a consolidation and a measure was presented to the state legislature, only to die in the committee; and in 1928 two state officials suggested a plan for redistricting the state, reducing the number of counties from ninety-five to less than fifty; one of these officials went so far as to draw a definite plan for recasting the state into eleven new units. Even in the face of obvious economies to be effected, nothing further has been done in this direction in Tennessee.[1]

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[1] Manning, J. W., "Governance in Tennessee Counties," S. W. Pol. & Soc. Sci. Quar. 11: 173-181, Sept. 1930.

THE COUNTY SITUATION IN GEORGIA

In proportion to its area, Georgia has more counties than any other state in the Union, and it holds second place to Texas with the largest number of counties of the entire forty-eight states. Instead of decreasing the number of counties in Georgia, it has been the practice, until recently, constantly to increase the number of county units. On January 1, 1932, the number of counties was reduced from 161 to 159, when Campbell and Milton Counties, upon authority of referenda authorized by the state legislature, were consolidated with Fulton County, of which Atlanta is the county seat.

In recent years there has been a movement of considerable energy to reduce the number of counties in the state, and thus reduce the cost of local government. During the summer of 1930, after insistent demands had been made for a study of the situation, the Georgia Tax Revision Association employed Dr. H. L. Lutz of Princeton University to make a survey of Georgia's revenue problems. Among the many suggestions made in his report to the governor in November, 1930, the Princeton tax authority recommended, as a most important step, the reduction in the number of counties. The survey showed that there were forty-two counties in 1928 with a total assessment between $1,000,000 and $2,000,000, which with the seven counties below $1,000,000, makes forty-nine counties so weak in resources as to give no warrant for their separate existence. It was recommended that "legislation should be enacted promptly which would smooth the way for county consolidation and facilitate it in every possible way."

But, even before the Lutz report was made, sentiment had crystallized in Campbell and Fulton Counties, which resulted in a special act in August, 1929, authorizing elections in Campbell and Fulton Counties on the question of consolidation. Another special bill was passed by the legislature in 1931 authorizing the addition of Milton County to the proposed two-county consolidation. Elections were held in 1931 in these three counties, which resulted in decisive majorities for the consolidation.

This merger is looked upon as the beginning of a more or less extensive consolidation of many of the smaller and poorer counties of the state, with the larger and wealthier units.

CONSOLIDATION PROPOSED IN NEW YORK

In a speech, early in 1928, before the Bar Association of New York, former Governor Smith described the New York state system of local government as obsolete, and recommended the appointment of a commission to study the subject of reorganization. In the *New York Times,* March 11, 1928, J. C. Young outlined the governor's comprehensive plan to recast the sixty-two counties of the state into some forty new units, grouped into regions of common interest. This scheme was advocated by Governor Smith as a means of reducing the cost of local government and simplifying and centralizing administration so that local governmental affairs might be carried out more satisfactorily. No official action has been taken on this program, but the press, through the editorial column, has urged such a reorganization from time to time. Senator Seabury C. Mastick and Assemblyman Louis A. Cuvillier are committed to consolidation of local governmental units.

COUNTY "COÖPERATION" IN VIRGINIA

For the past few years there has been some agitation for the readjustment of county areas in Virginia, and an examination of the situation reveals the fact that some progress has been made in this direction. "The state today manifests an awareness of county and rural problems that indicates that maladjustments will yield to a solution by research and popular appreciation and support of alterations."[2] Many of Virginia's one hundred counties are suffering from the lack of economic resources and taxable wealth sufficient to support a going county governmental structure. Less than one-half of the counties are able to claim a tax base of more than $20,000,000, computed at full valuation. In many counties the tax burden fails to correspond with farm income, or with estimated wealth, expressed as full valuation, or with the income of the farmer. The warning has been issued that "unless the present situation is recognized, the territorial lines of the county will freeze natural economic inequalities between counties into a permanent condition so as to ensure a continuance of extra tax burdens imposed by geography."[3]

During the session of the Virginia Assembly in January, 1930, a commission was appointed to study various forms of county government with a view to making recommendations to the assembly in January, 1931. The accomplishments of this commission are discussed by Dean Tucker in this issue.

Barring a political earthquake, the question of consolidation becomes the practical plan of adapting the county to resources and population required to sustain its functions and expenditures. As an alternative to consolidation, several plans of districting the several counties for designated services have been carried through to completion. This might be called county "coöperation" instead of county consolidation. In regard to the form of organization for local health work, there are several instances, for example, Princess Anne and the Isle of Wight, where a single county unit has been unable to sustain itself except by conversion into a two-county unit. This same sort of coöperation has taken place in regard to the building of almshouses. By mid-year 1929, sixty-seven counties in Virginia had abolished their almshouses;[4] and in some cases as many as eight counties have coöperated in establishing a district home.[5] This form of coöperation signifies the creation of a new regional type of government. In comparison with metropolitan areas, we may call such an arrangement a "rural region." Because of the difficulties involved, this weakening-from-within process may replace the efforts toward county consolidation in other states as well as Virginia, and it may satisfy many whose local fervor causes them to cling to the county as a name; and many of our county officeholders will be left with a title to an office, but with few, if any, duties to perform.

NORTH CAROLINA

With the introduction of the county manager plan, North Carolina has taken first place among all the states of the Union in the matter of county government reform. Not only has reform taken the manager form in the state, but there has been considerable agitation for the reduction in the number of counties. The Institute for Governmental Research of the Brookings Institution was employed by Governor Gardner to make a survey of the organization and administration of county government in the state, and in its report which was submitted February 4, 1931, it was definitely recommended that North Carolina's one hundred counties be reduced to eighty-eight. Ten specific instances of possible consolidation were suggested, and in addition it was recommended that the state give some consideration to the feasibility of combining some ten or twelve other counties.[6]

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[2] Kilpatrick, W., "Readjusting County Areas in Virginia," *Minnesota Municipalities*, XV: 266, July, 1930.

[3] Ibid.

[4] *Virginia Municipal Review*, p. 49, April 1929. The number was brought to sixty-seven when Patrick County joined with Campbell, Amherst, Halifax, Pittsylvania, and Henry counties in the erection of a district almshouse.

[5] Kilpatrick, Wylie, Op. Cit., p. 269.

Late in 1930 some interest was aroused in Stokes County, North Carolina, to annex that county to the more populous and wealthier county of Forsyth. The matter has received some attention through newspaper interviews, but it appears that the movement has not as yet been taken seriously by Forsyth County.

TOO MANY COUNTIES IN MASSACHUSETTS

In Massachusetts the press has given some attention to the readjustment of county areas, but no action of an official or semi-official nature has been taken. It has been pointed out that there are several instances where adjoining counties might be consolidated economically, jails and court houses could be consolidated and whole groups of offices abolished, and "such anomalies as the superimposed existence of an entity like Suffolk County upon the municipality of Boston could be corrected."[7] Because of the activities of the "county rings" in their interference with progressive state programs, the press has inquired why there are so many counties in the state. In this state consolidation is looked upon as a measure "politically devastating to the county rings" and "politically purifying to the commonwealth; economically sound; and administratively sensible." It has been suggested that "Massachusetts could probably get along comfortably with seven counties where there are now fourteen."[8]

CONSOLIDATION UNDER WAY IN ARKANSAS AND KANSAS

The consolidation of the counties of Arkansas has been suggested by the *Arkansas Gazette,* and that newspaper is now waging a campaign in favor of such a move in the direction of economy and efficiency of government in the state. Representative Charles Fleming has made the definite proposal that the 75 Arkansas counties be consolidated into twenty-five. In Kansas, a bill was introduced in the legislature of that state to reduce the number of counties from 105 to 54 but it died in committee. The Kansas City *Star* approved the plan in general.

A CONSOLIDATION SCHEME PROPOSED IN KENTUCKY

More and more attention is being given the matter of consolidating Kentucky's one hundred twenty counties. Little of a definite nature has been accomplished, but the idea of reducing the number of counties is being considered as one of the best means of reducing taxes and lowering the costs of government in the state. At the annual meeting of the State Association of County Judges in Paducah, on May 30, 1930, the consolidation of the counties of the state into thirty or forty units was urged as a needed governmental reform. A similar suggestion was made by Walter Smith, county attorney of Bell County, at the December, 1931, meeting of the County Attorneys' Association in Louisville. The press has also suggested that one of the best ways to reduce taxes is to reduce the number of counties, and thus relieve the taxpayers of so much over-government.

A more or less definite and comprehensive scheme has been proposed for the consolidation of the counties of Kentucky. Assuming that there are fifteen offices in each of the 120 counties, or a total of 1800 county officials in the state, with an annual expenditure of $2,000 per year, this means a total cost of $3,600,000 for the item of administrative overhead alone. With this thought in mind, it has been suggested that the state be recast into some twenty counties, and these new units be grouped around twenty towns centrally located in the new units, and easily accessible to all citizens of the new areas. Under this scheme each county would have an average area of 2,029 square miles and an average population of some 120,000. Assuming the same number of offices per county as under the present scheme, this would mean a reduction of offices from 1800 to 300, and with the same cost per office, there would be a total expenditure of only $600,000 as compared with $3,600,000 under the present scheme—or a saving of $3,000,000 annually for the item of upkeep alone.

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[6] *Report on a Survey of the Organization and Administration of County Government in North Carolina,* pp. 21-26, 1931, The Brookings Institution.

[7] *Springfield Weekly Republican,* July 26, 1928.

[8] *Springfield Weekly Republican,* March 21, 1929.

SUMMARY OF OTHER STATES

Other consolidation movements which bid fair to achieve concrete results within the next few years may be summarized as follows: Idaho—the state chamber of commerce has prepared a proposed constitutional amendment providing for consolidation of counties if approved by local referendum; Illinois—the board of supervisors of Sangamon county has proposed the consolidation of the 102 Illinois counties to 52; Missouri—a constitutional amendment reducing the 114 counties to 40 has been proposed by Attorney-General Shartel; Mississippi—reduction of the number of counties from 82 to 40 is recommended in the report of a survey conducted by the Brookings Institution for the Research Commission of the state of Mississippi; Oklahoma—a plan to reduce the number of counties in Oklahoma from 77 to 20 has been advanced by the state chamber of commerce; Texas—Frank Putnam of Houston, former newspaperman and later candidate for governor, is author of a plan to consolidate the 250 Texas counties to 50; Washington—Alvin Collin, county commission of Spokane, urges consolidation of the 39 counties into 7; Senator Dan Landon announces his intention of introducing a bill providing for county consolidation into the next legislature; Wisconsin—leading newspapers including both the Milwaukee *Sentinel* and the Milwaukee *Journal* are advocating consolidation of counties.

Functional Realignment vs. County Consolidation

VARYING functions demand varying areas of administration. Combining counties gives no assurance that a proper unit for all services will be secured

BY CONRAD H. HAMMAR *University of Missouri*

THE total assessed valuation of Jackson County, Missouri, in 1930 was 175 times that of Ozark County. Yet, the number of county officers and the organization of government were very much the same. In Jackson County the officials presided over $658,863,000 in taxable property and a population of 470,454. In Ozark County a similar group of officials administered the affairs of government for 9,537 people and $3,756,540 of property. In Texas County, officials are charged with 1159 square miles of area and in Worth County a like group administers only 265 square miles, or less than one fourth as much.

Inconsistencies such as these are rife among Missouri counties.[1] Insistently the query arises could not a large number of counties be eliminated with a most acceptable reduction in expense to taxpayers?

POSSIBLE SOLUTIONS

Three approaches to the answer are easily distinguishable. The first is the county consolidation program. The second proposes to combine offices within the county, and the third seeks to reduce expenses by adapting the unit of administration to the office while leaving the number of offices the same. In other words, the assessor instead of having a county will have a district[2] and in like manner the county attorney, collector, treasurer, school superintendent and so on will be given areas of administration that will better fit their capacities. No one assumes that an accurate fit is secured at present. The second and third approaches above may be combined into one and called the functional program.

The county consolidation program has some advantages that may be scored up for it. It is easy to comprehend and has an appeal to all who look back to the formation of counties during the horse and buggy days and contrast the slow locomotion of that era with the swiftness of the modern automobile. The county consolidation program is, furthermore, already under way and has the advantage of according with present usage. In both Tennessee and Georgia, county consolidations have already been effected and in many other states the movement has gained a discernible headway.

WEAKNESSES OF CONSOLIDATION

The county consolidation program has its disadvantages, however. Its most serious error from the viewpoint of governmental reform is that it regards all offices in the county as suited to the same unit of administration. But can county courts, assessors, collectors, clerks, school superintendents and other officers be counted as well adapted to the same unit of area, population or assessed valuation? Little research bearing directly on this point is available and none of it pertains to Missouri. Only by a very strange coincidence, however, would all offices and officers be suited well by the same unit of administration. And when to this fact is added the great unlikeness of existing counties the chance that officers and tasks are well suited becomes remote indeed. Misfits, one concludes, must be the rule rather than the exception.

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[1] With special reference to Missouri.

[2] See for instance item 3 of the Program for County Government proposed by the Taxpayers' League of St. Louis County, Minnesota, page 561 of the 1930 volume of the NATIONAL MUNICIPAL REVIEW.

Furthermore, what assurance can be given that the proper unit of administration will be hit upon merely by combining two or more counties? Most Missouri counties have fourteen different administrative offices. Under the most exacting efforts it is hardly conceivable that a single county could be made to fit equally well all fourteen. The task would be difficult enough if there were only three or four offices instead of more than a dozen.

Even if a fair suiting of capacities could be attained there is no assurance that further economic, political and social changes will not make the enlarged county as obsolete fifty or a hundred years hence as the present county is now. The county of today has proved inflexible in the face of change. Merely enlarging it will not make it more flexible. County consolidation faces the prospect that combining counties and heightening their importance as governmental units may increase an inflexibility that has not been counted desirable.

Increasing the importance of county units runs into a still further difficulty. Suppose our 114 Missouri counties were combined into a mere ten or a dozen. So large and strong would these fewer counties each become that they would, in many respects, rival the state government itself. Even now, intractable county officers can go far in defying state supervision. The risk of setting up smaller "states" within the larger one with all the discord that would result therefrom is imminent in the county consolidation program.

A difficulty of a more practical and immediate nature is the official antagonism that a program of county consolidation will inevitably encounter.

AN APPROPRIATE UNIT FOR EACH SERVICE

The functional program avoids many of the difficulties of the county consolidation and has some advantages of its own.

To begin with there need be no thought of destroying the present counties as a whole, if the assumption is allowed that these may be made fairly effective units for the voting of and administration of expenses. A certain cohesion is desirable, if not necessary, for the adoption of local improvement measures. Furthermore, certain county offices may be found to fit fairly well into the majority of counties as they now are.

For the majority of the offices in the county, however, the functional program contemplates either a merging with other offices or an adjustment of the office to a very different unit of administration. The idea of merging is used also in connection with the county consolidation program but has as its objective the better adaptation of official and task whether the units of administration be the present counties or a grouping of counties.

Just what the new units of administration shall be, the functional program, as yet, is unable to say. Indeed, it begins with the admission that it does not know and makes a definite place on its agenda for research in the matter. It has little hesitancy in stating its belief that the proper units for the various offices will be quite different and it visualizes a series of non-coterminous districts in which various offices are functioning under the direct supervision of the state. It maintains that the task of assessing differs greatly from that of collecting or superintending schools or supervising roads, and that it is ludicrous to suppose that all these offices can be expected to operate efficiently in districts of the same size.

Indeed, it looks upon the economical performance of the particular duty with which the officer and office is charged as paramount and refuses to regard such districts as are set up as necessarily permanent. Changes in technique are inevitable. With airplane photography at their command, a very much smaller group of assessors may well be able to perform the task of appraising rural real estate than is now required. Photostating and other mechanical devices are constantly reducing the routine work in the office of recorder of deeds. The automobile greatly enlarges the area of supervision for the superintendent of schools, and engineering technique and the desire for continuous good roads demands that the function of the road engineer extend across county lines. Flexibility in the face of such changes the functional program seeks to provide and on that score counts itself far superior to the county consolidation program.

Clashes over jurisdiction with the state government that are likely to be a prominent disadvantage in the case of a few large counties are almost completely avoided. In fact, a far more direct supervision of state officials in the interest of an improved efficiency in the performance of the various governmental functions is regarded as advisable.[3]

In this same connection, the functional program has greater promise of control over county officials. Control by the electorate under present conditions is remote and loose. After the periodic elections each office in the court house tends to become a kingdom unto itself. The county court, technically in charge in Missouri, exercises only a nominal control and hesitates to interfere, even in flagrant cases, with the conduct in office of men elected directly by the people.

WILL NOT DISTURB THE COUNTY SEAT

Tactically, the functional program is superior to the county consolidation program in that its attack is directed at a single office rather than the whole group of offices and in that it anticipates leaving present counties and county seats intact to serve certain purposes as stated above. While the possibilities of wiping out entire counties in the face of official and local antagonism is remote, changes involving single offices may be engineered with much less difficulty. The rationalization of the single office may, furthermore, proceed by a series of steps toward its objective and thus further elude the antagonism engendered by the proposal to rob a town or city of its county seat prerogatives at a single stroke. The steps proposed in a forthcoming Missouri study[4] of the assessor's office for illustration are (1) establishing state supervision of assessments by placing appointed supervisors in nine districts composed of from 12 to 14 counties each, (2) with the aid of these supervisors, discovering the most effective methods of appraising property for taxation, (3) with such information at hand, establishing the proper area unit for assessment administration, and securing the adoption of these units for the election of the assessor. A further step that might easily prove feasible would be that of having assessors appointed rather than elected and directly subordinate to the supervisor and acting as his deputies. Obviously, the way is open for still further steps if changes make them advisable. Similar steps softening the break from present practices to more desirable ones could be outlined for other offices.

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[3] On this point see page 6, NATIONAL MUNICIPAL REVIEW, January, 1929, "A Wet Blanket on the County Manager Plan" by Kirk H. Porter. Also article by Mr. Porter in this issue.

[4] See Mo. Ag. Exp. Sta. Research Bul. No. 169 by the author.

A standardization of personnel, not possible under present county organization, is facilitated by this functionalizing of government as proposed above. Ultimately the functional program aims at appointed rather than elected officials. Furthermore, the great disparity in the size of counties and the varying responsibilities placed upon officers at present works toward a lack of uniformity in the governmental services that has no rational basis for being. Why should one child have the advantage of public educational supervision at the hands of a man of high capabilities and able to earn a salary of $5000 a year, while the guidance of another child is entrusted to an officer with much inferior qualifications? Present counties perpetuate such anomalies. County consolidation would mitigate them in part. An even more thorough-going reform is possible where such governmental services are divorced from local attachments and their performance judged from a state-wide viewpoint.

OBJECTIONS CONSIDERED

Some objections to the functional program have been raised. For those interested in immediate reform it is considered altogether too painstaking and slow. Years will be required to put its proposals into effect and, in the meantime, present high costs will continue. Furthermore, its cautious procedure by steps and its never ending program means a constant irritation of local officials and people. It necessitates, also, a continuous marshalling of public opinion in the interest of reform, a process that is difficult and sometimes expensive. Better, it has been argued, arouse public opinion thoroughly and effect considerable changes all at once. Such arguments have some force, but counter to them is the great possibility of failure if the pace is too fast, and the fact that governmental reform is likely, under any circumstances, to be a continuing process and in any event cannot be thoroughly done by a single *coup d'etat*.

A greater break with present practices and forms of government is also counted as a disadvantage. People will have more difficulty in grasping the need for rationalizing each office and function of government separately than they will in discerning the need for enlarging the size of the county and doing away with unnecessary governmental duplication. Doing away with an expensive county government will draw some support; mere remodeling of the assessor's office will encounter great indifference. Indifference may well, however, be easier to overcome than open antagonism and may be counted, in some respects, an advantage.

The allocation of costs of maintenance and operation when functions are performed without reference to county lines may present some, though no very serious, difficulties. Much more serious is the objection that is likely to arise in the local community against the relinquishing of control of many of their customary governmental prerogatives to the state. Tradition runs strong in many counties. What assurance have local people that services, at once better and less expensive, will be provided by the state? Fortunately, precedents in education and roads, our two most expensive local functions, are already available. Very few would argue for a return of roads to purely local control and a revision of control with regard to education, emphasizing the responsibility of the state has already occurred in Missouri. Nevertheless, the strong sentiment for local control is probably the most serious difficulty that the functional program has to face.

The League's Committee on County Government

PROGRESS report of a committee destined to national leadership in county government reform

BY JOHN A. FAIRLIE *Chairman*

THE Committee on County Government of the National Municipal League, appointed in the summer of 1931, has held four meetings: at Buffalo, New York, in November; at Washington, D. C., in December; at Chicago, in May, 1932; and at the University of Virginia in July, 1932. At these meetings plans and proposals have been discussed, and considerable progress has been made in formulating recommendations in some parts of the field.

COMMITTEE PERSONNEL

As now constituted, the committee consists of the following members: Frank O. Lowden, Oregon, Illinois, *honorary chairman*; John A. Fairlie, University of Illinois, *chairman;* William Anderson, University of Minnesota; R. C. Atkinson, Ohio Institute, Columbus, Ohio; Frank Bane, American Public Welfare Association, Chicago; F. G. Bates, Indiana University; Arthur W. Bromage, University of Michigan; John Calahan, Department of Public Instruction, Madison; Richard S. Childs, New York; Edwin A. Cottrell, Stanford University; Clark Foreman, Chicago; Harry H. Freeman, Buffalo Municipal Research Bureau; Mrs. Walter S. Greenough, Indianapolis; Luther Gulick, Institute of Public Administration; A. R. Hatton, Northwestern University; Howard P. Jones, National Municipal League; J. Catron Jones, University of Kentucky; Mrs. Siegel W. Judd, Grand Rapids, Michigan; Wylie Kilpatrick, New Jersey State League of Municipalities; Walter F. Kirk, Ohio State Grange; Harley L. Lutz, Princeton University; Theodore B. Manny, United States department of agriculture; Kirk H. Porter, State University of Iowa; Hugh Reid, Washington, D. C.; C. E. Rightor, Detroit Bureau of Governmental Research; Walter R. Sharp, University of Wisconsin; Charles P. Taft 2nd, Cincinnati, Ohio; Robert H. Tucker, Washington and Lee University; Paul W. Wager, University of North Carolina; C. R. White, New York State Farm Bureau Federation.

It will be noted that the committee includes members from a considerable number of states, in different sections of the country, and from various institutions and organizations—research bureaus, official commissions, state municipal leagues, rural organizations, and universities.

Before the Buffalo meeting, held in connection with the annual meeting of the National Municipal League, preliminary assignments had been made to several sub committees; and tentative suggestions from some of these were presented and informally discussed. A more definite plan of sub committees was adopted, to deal with constitutional provisions, consolidation and coöperation of counties, the organization of county government, the relation of the county to the state, the position of townships, financial provisions, and personnel problems.

MODEL CONSTITUTIONAL PROVISIONS

At the Washington meeting, preliminary reports were presented from the subcommittees on constitutional provisions, local organization and the position of the township. These were discussed in connection with recent reports by official commissions and important changes made in local government in New Jersey, North Carolina, and Virginia, and extended investigations under way in Michigan and other states. Tentative agreement was reached on various general principles. It was decided to undertake the definite formulation of advisable constitutional provisions on local government; and to continue the study of other problems, with a view to determining the substantive elements of statutory or charter provisions. It was agreed that alternative methods might be necessary in some matters, to promote the adoption of improvements more immediately practicable, as well as more fundamental changes. The desirability of undertaking to draft a comprehensive statute or charter was discussed, and action on this was postponed until further progress had been made.

At the Chicago meeting, a chart of existing constitutional provisions on county government, and a statement on constitutional obstacles to improvement in county government was submitted by Mr. Jones, with a draft of proposed constitutional provisions. These were discussed in detail, in connection with the proposed county government amendment to the Ohio constitution; and tentative agreement was reached on the content of the proposed provisions, to be submitted to the other members of the committee. This included provisions as to general and optional laws on county government, and county home rule charters, and provisions for the transfer of functions from smaller units so as to permit a consolidated or federated local government.

COUNTY ORGANIZATION

A plan of county organization, presented by Mr. Atkinson, was also discussed in detail; and tentative agreement was reached as to the main provisions, for submission to the other members of the committee. This included provisions as to the composition, powers, and duties of the county board, a county manager (with alternative suggestions) and suggestions as to departmental organization.

Consideration was also given to a report by Mr. Bromage on the position of the township.

At the July meeting in Virginia, definitive action was taken approving the proposed constitutional provisions on local government, and recommending their publication, with the article on existing constitutional obstacles. Further consideration was given to the plan of county organization, and the main features were approved. The report on the position of the township was also considered, and it was agreed that this should be expanded in some respects.

A number of factors make the task of this committee one of great difficulty, requiring a considerable time for its completion: The magnitude and complicity of the problem, especially in view of widely varying conditions in different states and sections of the country; the size of the committee which these conditions make necessary; and the absence of funds for travel expenses. The latter considerations have made it necessary to hold meetings at which only some of the members can attend. This, however, makes it possible to reach preliminary agreements for submission to the whole committee.

A Bibliography on County Government

A SELECTED list of the leading articles and publications relating to county government which have appeared since 1920

BY INA CLEMENT

Princeton University Library

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CONSTITUTIONAL BARRIERS TO IMPROVEMENT IN COUNTY GOVERNMENT

By

HOWARD P. JONES

With a Foreword by the
HONORABLE FRANK O. LOWDEN

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COMMITTEE ON COUNTY GOVERNMENT

Frank O. Lowden, *Honorary Chairman*
Oregon, Illinois.

John A. Fairlie, *Chairman*
University of Illinois, Urbana.

Howard P. Jones, *Secretary*
National Municipal League.

William Anderson
University of Minnesota.

R. C. Atkinson
The Ohio Institute, Columbus.

Frank Bane
American Public Welfare Association, Chicago.

Frank G. Bates
Indiana University, Bloomington.

Arthur W. Bromage
University of Michigan, Ann Arbor.

John Callahan
Department of Public Instruction,
Madison, Wis.

Richard S. Childs
New York.

Edwin A. Cottrell
Stanford University.

Clark Foreman
Julius Rosenwald Fund, Chicago.

Harry H. Freeman
Buffola Municipal Research Bureau.

Mrs. Walter S. Greenough
National League of Women Voters.

Luther Gulick
Institute of Public Administration,
New York.

A. R. Hatton
Northwestern University, Evanston, Ill.

J. Catron Jones
University of Kentucky, Lexington.

Mrs. Siegel W. Judd
National League of Women Voters.

Wylie Kilpatrick
N. J. State League of Municipalities,
Trenton.

Walter F. Kirk
Ohio State Grange, Port Clinton.

Harley L. Lutz
Commission for Investigation of County and Municipal Taxation and Expenditures,
Trenton.

Theodore B. Manny
U. S. Department of Agriculture.

Kirk H. Porter
University of Iowa, Iowa City.

Hugh Reid
Cherrydale, Va.

C. E. Rightor
Detroit Bureau of Governmental Research.

Walter R. Sharp
University of Wisconsin, Madison.

Charles P. Taft, 2nd
The County Home Rule Association, Columbus, Ohio.

Robert H. Tucker
Commission on County Government, Va.

Paul W. Wager
University of North Carolina, Chapel Hill.

C. R. White
New York State Farm Bureau Federation,
Ionia.

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FOREWORD

We are all interested in the federal government. We give a good deal of thought to our state government. Our cities are more and more engaging the attention of the citizen. In the realm of county government and town government, however, it is only in recent years that students of political science or the people generally have felt any concern. And yet it is precisely these governments which affect the lives of the country population most frequently and most intimately. It is to support these governments that the larger part of our taxes go. It is to these governments that we look largely for our protection. It is upon these governments that we depend for the maintenance of our poor, for the custody of our petty evildoers and those awaiting trial charged with more serious crimes. It is these governments which administer our schools. It is they, too, which in a large measure build and maintain our roads and construct other local public works. Other important functions also rest upon the county and town governments. No student of the situation contends, I think, that these bodies, under present conditions, are either economic or efficient.

Our county jails have been a disgrace to our country for more than a hundred years. One eminent writer says that to find a parallel it is necessary to go back to Turkey and the thirteenth century. Our county almshouses have been a reproach to our civilization since they were first established. This is not the fault of the officials, who, in the main, are humane and considerate men. It is the system which is to blame. The inmates of the county jails and the inmates of the almshouses are too few in number for modern or humane or economical administration of either. They should be abolished altogether and in their place should come either regional or state institutions. In some parts of New England, we are told, where the state has partially relieved the counties of the care of the poor, they are more comfortably housed and better cared for at less than half the cost than where the counties perform this function. Virginia recently has substituted for the county almshouse ten for the entire state. We are informed that the inmates are better cared for than ever before, with an average cost per capita of but little above one-half of the original cost.

The town, or township, as it is sometimes called, is a still smaller unit of government than the county, and it has largely survived its needs. No one but the town assessor knows what its boundaries are. In the earlier days of slow and difficult transportation to the county seat the township had real significance. It was small in extent because otherwise its citizens could not assemble even once a year. It was supposed to resemble the New England towns which, from the beginning, have been the real unit of government in that portion of the United States. Never, however, in its best days did town government in the United States generally approach in efficiency the towns of New England. Now, with the coming of swift and easy transportation, the reason for town government, outside of New England, seems largely to have disappeared. Gradually its functions have been taken over by the county. The roads are being constructed and maintained more and more by the county and state. Even where the township road commissioner survives he is under the supervision of the county authorities. The township assessor too, the last of the town officials who is really active, seems on the way to extinction, as county assessment of all property is now regarded a more equitable method than township assessment.

The National Municipal League, with notable achievements in the field of city government to its credit, has wisely undertaken a comprehensive study of county and township government, with a view to its improvement. I have read with the keenest interest and approval the initial report of the Committee which the League has created for this purpose. This report deals with the constitutional barriers to improvement in county government and is, in my opinion, an indispensable preliminary to the reports which are to follow.

FRANK O. LOWDEN, *Honorary Chairman.*

Constitutional Barriers to Improvement in County Government[1]

STUDY of documents of 48 states reveals many restrictions that block progress

BY HOWARD P. JONES *Secretary, N.M.L. Committee on County Government*

BRIEFLY there are five possibilities for improvement in county government. They are: (1) change in the form of government; (2) change in the area of government; (3) change in the functions of the county; (4) abolition of the county; and (5) improvements in administrative methods. This latter, of course, should go hand in hand with any of the other changes, but some progress can be made under present county organizations. The extent to which state constitutions impose obstacles to the flow of county government in any of these various directions without constitutional amendment must be taken into consideration.

OBSTACLES TO CHANGE IN FORM

Elective Officials. The first and most serious barrier to a change in the form of government consists in the large number of elective county officials who are securely fortified by being specifically provided for in the state constitutions. Where these officials are numerous, no satisfactory alteration in the form can come without constitutional amendment. It is obviously impossible to obtain vigorous administration with most of the administrative officers running their own affairs in their own way and responsible to nobody but a vast unorganized electorate or to a political machine which exists solely for the purpose of perpetuating them in office. Furthermore, the listing of these elective officials in the constitution prevents the establishment of optional forms of county government.

Seven states are free from this complication: California, Montana, Minnesota, Nebraska, North Carolina, Rhode Island, (where counties serve only as judicial districts) and Virginia.

In fourteen others, the list of elective officials in the constitution is not formidable, and change in the form of government could be accomplished to some purpose. Alabama, Connecticut, Georgia, Iowa, Kansas, Louisiana, Maine, Massachusetts, Missouri, New Jersey, New Mexico, Oklahoma, South Carolina and Utah could achieve much by way of reorganization even without the deletion of the favored officials from the ranks of those chosen by popular vote. In Connecticut, for instance, only the sheriff and the coroner are required by the constitution to be elected, aside from judicial officers.[2] The Iowa constitution mentions only the county attorney. In Kansas, the list includes the district court clerk, the probate court judge, the county school superintendent, and the county commissioners. In Maine, only the sheriff, judge and register of probate are required to be elected. In Massachusetts, it is the sheriff, clerk of court and register of probate; in Missouri, only the sheriff and the coroner; in Oklahoma, the county clerk and the county commissioners; in Utah, only the county attorney.

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[1] A chart containing in summary form a digest of the constitutional barriers to improvement in county government in the 48 states, with citations, has been prepared by the author and may be obtained from the National Municipal League at a price of $1.00 per copy.

[2] In this discussion, consideration of purely judicial officers has been omitted, since that is a problem requiring separate solution. While they have been listed along with the rest of elective officers it should be appreci-

In the remaining twenty-seven states, however, the long lists of elective county officials in the state constitutions are rugged barriers to a change in the form of government. Ohio and Wyoming are exceptions, but the effect is the same, since the constitutions of those states specify that the legislature shall provide for the *election* of the necessary county officers. Texas is an excellent example of the extent to which a long list of elective officials may clutter the constitution. In Texas these officers are required to be elected: district court clerk, county judge, justice of peace, constable, county commissioner, county clerk—ex officio clerk of the county and commissioners court and recorder of the county—county attorney in counties where there is not a resident criminal district attorney; sheriff—ex officio tax collector and in counties over 10,000 population a separate tax collector—tax assessor, treasurer and surveyor. Small chance of improvement in county government in Texas exists until a constitutional amendment permits these to be sliced off the ballot, and this is equally true of the other states where county officers are constitutionally elective. In Idaho, the legislature is definitely prohibited from creating any county office not listed in the constitution—a unique but perhaps not unwise provision at the time it was adopted.

Uniformity Clause. In eight states—California, Florida, Georgia, Idaho, Nevada, Utah, Washington and Wisconsin—the legislature is authorized to provide a uniform system of county government throughout the state. The Wisconsin clause, in an attempt to forestall the obvious difficulty that would arise, qualified this with the phrase, "as nearly uniform as practicable."

Just what constitutes a uniform system of county government the courts have yet to say. The crucial question at this point is, of course, whether this clause prevents the establishment of optional forms of county government, or the classification of counties for the purpose of governmental organization. California has established optional forms of county government but this is no answer since the California constitution also contains a clause providing for the establishment of such optional forms and has included provision for county home rule since 1911.

The supreme court of Wisconsin has held that absolute uniformity is not required,[3] but it is obvious on the face of the Wisconsin provision that such is not the case. Even in Wisconsin, however, an act which "destroys the unity of the system or which unnecessarily interferes with its uniformity in any material respect, is not a valid law."[4] To the supreme court of Utah, this clause means "a system or plan of government of the several counties in the state, which is uniform, so that its several parts shall be applicable to each county."[5] Whether optional forms of government might be established or not, the uniformity clause, in the opinion of the supreme court of Washington, prevents the legislature from abolishing

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ated that their election constitutes no obstacle to the development of an effective structure of county government, except where they may have important administrative functions aside from judicial duties.

[3] State v. Abert, 32 Wis. 403 (1873)

[4] Ibid.

[5] State v. Standford, 66 Pac. 1061 (1901)

some particular office in a particular county or class of counties.[6]

Optional forms of government have been established in Illinois, Missouri, Nebraska, North Carolina, North Dakota and Virginia, but none of these states have uniformity clauses in the constitution. In North Carolina, Virginia, Louisiana, and Montana constitutional amendments have authorized the legislature to provide optional forms of county government, and in the absence of evidence to the contrary it seems probable in states which have uniformity clauses with no qualifying or counteracting provisions, that optional forms of county government could not be provided by legislative action.

It should be pointed out, however, that the uniformity clause would not prevent a legislature from completely altering the system of county government. The existing plan could legally be wiped out and replaced by the county manager plan throughout the state, for instance, without treading on the toes of the uniformity clause. It is hardly necessary to add that this is unlikely; indeed, from the standpoint of those who urge the right of a locality to determine its own form of government, the change would be little improvement.

Local or Special Legislation Prohibited. Twenty-nine state constitutions have provisions forbidding legislatures to pass local and special laws applying to counties. Of these, twenty-six prohibit legislation on the subject of locating or changing county seats or lines, although in New Mexico and Washington it does not apply to the creation of new counties. In twenty states legislatures are prohibited from passing special legislation "regulating county affairs." They are: California, Colorado, Idaho, Illinois, Indiana, Minnesota, Missouri, Montana, Nebraska (county offices), Nevada (except salaries), New Jersey ("internal" affairs), New Mexico, North Dakota, Oklahoma, Pennsylvania, South Dakota, Texas, Utah (except salaries), West Virginia, and Wyoming.

So far as a change in the form of government is concerned, these provisions do not concern us particularly, since the attitude of the courts has been that classification of counties into groups does not violate this provision, if the classification is not an arbitrary one.[7] The classification of counties suggested in the *Model County Manager Law* for the purpose of establishing optional forms of government, whereby counties are divided into three groups, rural, urban-rural and urban, suggests the type of classification which might be advisable and which by no stretch of the imagination could be considered otherwise than reasonable.[8]

Township Organization. In states where the township organization has been written into the constitution, these clauses must be rubbed out before satisfactory improvement can be made in the form of government. Authorities are agreed that, with the possible exception of the New England states, township government should be abolished. Yet the constitutions of two states, Michigan and North Carolina, set up in detail the township organization and list the officers; the constitutions of four states, Idaho, Nevada, South Dakota and Utah, specify that the legislature shall by general law provide for township organization and the constitutions of eight others, California, Illinois, Missouri, Nebraska, North Dakota, Oklahoma, Washington, and Wyoming, broadly hint its desirability.

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[6] State v. Fleming, 153 Pac. 347 (1915)

[7] See able discussion in *County Government and Administration* by Fairlie and Kneier, 1930, pp. 60, 61, 71, 72.

[8] See introduction to *Model County Manager Law,* published by the National Municipal League.

Residence Specifications. While requirements as to residence of county officers do not necessarily act as a hindrance to a change in the form of county government, that this is a possibility may readily be comprehended. If the county manager plan were to be adopted in a county where every officer had to be a resident of the political subdivision which appointed him, it is conceivable that a satisfactory county manager might be obtained, but it is also appreciable that the chances of getting a trained executive have been considerably diminished thereby. Fourteen states have such provisions, varying considerably as to details. In Colorado a county officer must be a resident of the county for one year preceding his selection and must be a qualified elector; in Delaware he must have the right to vote for one member of the lower house of the legislature, and be a resident for one year before his selection unless otherwise provided by the constitution; in Georgia he must be a resident of the county for two years and a qualified voter; in Indiana he must be a resident for one year before election or appointment; in Kentucky he must be a resident of the county in which he is to hold office; in Louisiana he must be a citizen of the state and a qualified elector of the county; in New Mexico he must be a resident of the county and after serving two terms he is ineligible for two years thereafter; in North Dakota the sheriff and treasurer are not to hold office more than four years in succession; in Ohio the sheriff and treasurer are not eligible for office more than four years out of six; in Oregon he must be an elector of the county at the time of election; in Pennsylvania he must be a citizen or inhabitant for one year before election or appointment and sheriff and treasurer are not eligible for office for the term after the one for which elected; in South Dakota he must be an elector of the county in which he is to serve office; in Washington he is not to serve more than two terms in succession; and in Wisconsin the sheriff is not to be elected for two consecutive full terms.

OBSTACLES TO CHANGE IN AREA

Since change in the area of county government would necessarily involve alterations in county lines and the removal of county seats, all those constitutional provisions which have to do with the creation of counties, the dissolution, division or merging of counties, the organization of new counties, the location and changing of county seats the alteration of county lines, specifications as to sizes of counties, and clauses regarding township government must be examined to determine the extent to which they interfere with a possible re-chiseling of rural areas.

Apportionment of Assets and Debt in Formation of New Counties. It apparently never entered the heads of framers of our state constitutions that counties might be consolidated; for all the provisions relating to the apportionment of assets and debt have to do with the creation of new counties out of old counties. It may be assumed, however, that these provisions apply to mergers as well.

In sixteen states the constitutions specify that the new county shall be liable for its "just proportion" of existing debts, thus leaving ample room for argument. Perhaps this is just as well, however, since a formula embedded in a state constitution usually causes more trouble than it is worth. In four states, Florida, Louisiana, Oklahoma and Tennessee, the constitutions also provide that the new county shall be entitled to a just proportion of the assets. While this creates no little problem if a consolidation proposal involves the merging of whole counties, it becomes even more serious if areas are sliced up to create more logical administrative areas. Fundamentally, however, it is a practical problem, the solution of which need not concern us here. The presence of such a clause in the constitution neither aids nor hinders the possibility of improvement in county government through reshaping of local areas.

Creation of Counties. The power of the legislature to create subdivisions of the state for administrative purposes is unquestioned. In the absence of constitutional provisions to the contrary, the legislature can, therefore, create counties and abolish them at will.[9] The tradition of local self-government has always been strong in this country, however, and when the written state constitution developed as a check upon the legislature, guaranteeing certain rights to the citizen, it was only natural that the local areas of government should find their way into this document.

If the constitution itself creates governmental areas without reserving to the legislature power to alter or abolish, as do those of Georgia and West Virginia in establishing existing counties, and as does that of Missouri in prescribing the boundaries of the city of St. Louis (which is not in a county), of course, new areas cannot be created, or changes made in those existing, without constitutional amendment, which must be submitted to the state electorate. The Georgia constitution was so amended in 1924 to permit county consolidation by legislative enactment.

Fourteen states have provisions in their constitutions recognizing counties as legal subdivisions of the state. In these states, counties could not, therefore, be abolished without constitutional amendment.

Eight of the state constitutions have a general grant of power to legislatures to establish new counties. This is almost invariably pared down, however, by other constitutional provisions securing to the electors of the counties the right to vote on a change of location of the county seat, or alterations in county lines. The following states have provisions providing for a local referendum on the question of changing the county seat: Alabama, Arkansas, California, Colorado, Georgia, Idaho, Illinois, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, New Mexico, North Dakota, Ohio, Oklahoma (in case of new counties), Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington and Wisconsin. Some of these provide for approval of the change by majority vote of the inhabitants of the county; others require a two-thirds or three-fifths vote.

While no attempt is being made here to consider the practical obstacles in addition to the constitutional obstacles to progress in county government, it will clarify the constitutional background to examine for a moment what is involved practically in these constitutional specifications. Aside from the danger of county seats being booted about from place to place as political footballs, there is the very real fear on the part of those who live and engage in business in county seat towns that any move to alter county boundaries or consolidate counties may endanger not only their livelihood, but property values at the county seat. It is many years since bitter battles over the location of county seats were a common occurrence, but the presence of these constitutional provisions gives assurance of the status quo.

In states which have such provisions, it is difficult to see the possibility of widespread reconstruction of county lines. County consolidation on a broad scale looks visionary unless forced by declining rural income and high cost of rural government. Abolition of counties

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[9] State v. Clausen, 163 Pac. (Wash.) 744 (1917); Frantz v. Antry, 91 Pac. (Okla.) 193 (1907); Portwood v. Montgomery County, 52 Miss. 523 (1876).

—radical as that may sound—might be easier, since there would be less opportunity for local jealousy to operate if every county were treated alike. Even in this case, however, the state would have to have local administrative offices, and the inevitable result would be the concentration of business at one county seat to the exclusion of another.

Certainly there is no likelihood of the success of any movement to change these constitutional provisions. Local approval in the states which have such provisions will be necessary to any alteration in local governmental areas and therein lies the real barrier, to which the constitutional provisions themselves are merely front line trenches.

Whereas the constitutions of twenty-six states require a referendum for the moving of county seats, in only ten states does the question of a change in county boundaries have to be submitted to popular vote. These states are: Iowa, Louisiana, Maryland, Minnesota, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, and Utah. Kentucky has an interesting provision in its constitution which declares that the specification regarding county lines shall not prevent the legislature from abolishing counties. The merging of counties after local referenda is provided for in the constitutions of Georgia, Louisiana, Mississippi, Missouri, Oklahoma, South Carolina and Virginia. The following sixteen states require a local referendum if a county is to be divided: Arkansas, Colorado, Idaho, Illinois, Kentucky, Maryland, Missouri, Nebraska, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Wisconsin, and Wyoming.

A majority of the states provide for minimum area or population in the formation of new counties. This is a help rather than an obstacle to progress, except in the event of a small but heavily populated area, and such cases should be provided for separately with a constitutional provision covering city-county consolidation. The minimum area required varies from 275 square miles in Tennessee to 900 square miles in Texas. The minimum population required varies from 700 in Tennessee to 20,000 in Pennsylvania. An interesting touch is given in the provisions of California and Washington, where the minimum population beyond which the old county may not be reduced is higher that the minimum for the new county. The constitutions of Alabama and New York provide that no new county shall be formed unless it contains sufficient population to entitle it to one representative in the assembly.

Minimum assessed valuations in proposed new counties are required by the constitutions of four states. These are placed at $1,000,000 in Idaho; $1,500,000 in South Carolina; $2,000,000 in Wyoming, and $2,500,000 in Oklahoma.

Township provisions. As in the case of a change in the form of government, any constructive change in the area of county government must reckon with the township in those states whose constitutions require a subdivision of the county. It is generally recognized that any change in the area of rural government should be in the direction of increasing rather than diminishing that area. If the county area is considered to be too small for the satisfactory administration of some of the functions of local government how much less adequate is the small township! Constitutional requirements regarding township government in the states of Idaho, Michigan, Nevada, North Carolina, South Dakota, and Utah must be wiped out before any constructive alteration in the area of rural administration can be made.

Local or special legislation prohibited. These clauses are a direct obstacle to piecemeal consolidation of counties by legislative act. They would not, of course, interfere with any state-wide reconstitution of local areas. They might, however, prevent the legislature from treating various areas differently such as is essential to an intelligent solution of the governmental problem in cut-over lands and other areas unable to support and not requiring a complete quota of local governmental service.

Clauses as to apportionment. Since representation in the state legislature is usually based upon counties, the wording of clauses in constitutions relative to apportionment of members of the state legislature must be examined critically in each instance to determine the necessity for amending them in the light of a proposed consolidation program or other alteration of area.

CITY-COUNTY CONSOLIDATION

Undoubtedly, vast sums of money can be saved through city-county separation or consolidation wherever the boundaries of cities and counties are so nearly coterminous as to make consolidation desirable.[10] At present only two state constitutions contain provisons permitting unlimited city-county consolidation. In California, city and county governments may merge into one municipal government, and incorporate under the general state laws governing incorporation of municipalities. Constitutional conflict is removed by a clause making applicable to the consolidated government the provision of the California constitution applicable to cities as well as those applicable to counties so far as they are not inconsistent with the city provisions. Furthermore, cities drafting their own charters may provide for the performance by county officers of certain municipal functions. An amendment to the Montana constitution in 1922 gave the legislative assembly power to merge cities and towns and county under one municipal government. The Georgia constitution contains a somewhat similar amendment adopted in 1924, but applicable only to municipalities having a population of more than 52,900.

An amendment to the Pennsylvania state constitution in 1928 permits city-county consolidation in Alleghany County. The constitution of Missouri gives the legislature power to consolidate city and county governments in all counties containing a city of over 100,000 inhabitants. The constitutions of two other states—Michigan and Minnesota—permit large cities to organize as separate counties. In Michigan the population minimum is 100,000; in Minnesota, 20,000. In Virginia, incorporation of an area as a city of the first class automatically removes it from the jurisdiction of the county government. The Ohio constitution permits the organization of a city as a separate county, although it is questionable whether the provision is workable.

A constitutional amendment would be the simplest and probably the only satisfactory way in most if not all the remaining states to permit city-county consolidation, since any effort of legislatures to deal with this subject would bring them into conflict with the numerous constitutional provisions regarding elective county officers, the form of county government, township organization, debt limitations and other restrictive clauses.

It is of some significance that three of the four outstanding cases of city-county separation have been brought about by constitutional amendment. This was true of Baltimore, Denver and St. Louis.[11] It is also noteworthy that the Philadelphia Consolidation Act of 1854, (a statute with no direct constitutional tie-up) extending the limits of the city to make them coterminous with the county, did not attempt to destroy the independent governments of the city and county which still operate illogically side by side upon the same territory. In New York, no interference was attempted with the county elective officers prescribed by the constitution, and the shells of five county governments still exist within the area of New York City.

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[10] The term "separation" is used to indicate the severance of the territory of the city from that of the county; the term "consolidation" to indicate that the city and county are united, with no territorial remnant left over. The difference lies in the disposition of the county area lying outside of the city limits. See *Government of Metropolitan Areas* by the Committee on Metropolitan Government of the National Municipal League, Chapter X.

Far more desirable from the standpoint of public policy than a special constitutional amendment covering a particular situation such as Denver or Pittsburgh is a general permissive clause in the constitution which leaves the details to legislative action checked by popular referendum, or permits counties to provide in their charters for a consolidated system of municipal government. This latter provision is included in the *Model State Constitution*.[12]

METROPOLITAN GOVERNMENT

The special problems inherent in the government of a metropolitan area demand individual governmental treatment. The way should be left open for legislative action unhampered by constitutional restrictions that prevent ready alteration in governmental forms and areas and force adherence to existing patterns. It should be realized that even provisions for city-county consolidation do not go far enough, since metropolitan areas leap over numerous county and municipal boundaries.

OBSTACLES TO CHANGE IN FUNCTIONS

Since the county is the creature of the state, there is nothing to prevent the state legislature from shifting the functions of county government as much as it desires, provided it does not interfere with constitutional specifications as to county boundaries, officers, uniformity of government, and prohibitions upon local or special legislation. The legislature, that is, could shear from the county the function of road-building as the legislatures of North Carolina and Virginia have done; it could make any state-wide regulations or alterations in the way in which school affairs are carried on; it could not, of course, do to one county individually what it could to all the counties as a group.[13]

Save for the dictates of judicial interpretation little difficulty is met, then, if a state in improving county government wishes to shift functions from the county government to the state government.[14] Indeed, there seems to be no constitutional reason why the legislature cannot provide for the consolidation of functions among several counties even though it cannot provide for the consolidation of those county areas. Five state constitutions specifically confer the right to consolidate certain counties for functional purposes. They are: Georgia, Nevada, Texas, Virginia and Wyoming. In Georgia the legislature may abolish the office of county treasurer and consolidate tax receiver and tax collector to be known as county tax commissioner. In Nevada the legislature has the power to increase, diminish, consolidate, or abolish the office of county clerk, recorder, auditor, sheriff, district attorney, surveyor, public administrator and superintendent of schools. In Texas, counties of 6900 square miles exterior to counties now existing may be attached for judicial and land surveying purposes to other counties. In Virginia, the general assembly may with the approval of the majority of voters provide for election or appointment of officers for two or more counties jointly. In Wyoming, the legislature may, "if without detriment to the public service," consolidate offices.

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[11] In the case of San Francisco, no amendment was thought necessary in 1856 but in 1879 her unique position was confirmed by constitutional amendment. See *Government of Metropolitan Areas,* Chapter X, page 175.

[12] *Model State Constitution,* published by the National Municipal League.

[13] The sheriff in Illinois has certain common law power as a constitutional officer and consequently his functions cannot be completely amputated by legislative act. See Peo. v. Cermak, 239 App. 195; Dahnke v. Peo., 168 Ill. 102; Moffett v. Hicks, 209 App. 296. If a similar judicial attitude should be taken in other states, this would constitute a real handicap to improvement in county government by the indirect method of whittling away the powers of constitutional officers.

[14] See supra N. 13.

It should be clearly appreciated, however, that counties, without legislative sanction, cannot get together on a functional basis; although it is equally apparent that if several counties wished to consolidate certain of their functions, the legislature should have no objection. The same applies to readjustment of functions as between counties and other areas of local government.

OBSTACLES TO ABOLITION OF THE COUNTY

Whether a constitutional provision which prevents the abolition of county government is to be regarded as a barrier to improvement in the government of rural areas depends, of course, upon the degree of usefulness and importance one attributes either to existing county governments or to the local self-government for which they stand. Certainly the wisdom of abolishing counties is a moot question. There are those, however, who believe such action would be in the interest of administrative efficiency and who sneer at the suggested sacrifice of county home rule as actually of little significance since voters do not have enough interest in their government to make home rule mean anything.

In most states, it is true that home rule in county government is a polite fiction. State supervision and the setting of minimum standards have combined with party machines to squeeze the last drop of reality out of this ringing phrase. Since no state legislature has ever tried to abolish county government, however, we are dealing with a question that is in the realm of pure theory. It is certain that in states where the constitution specifically recognizes counties as the legal subdivision of the state government a constitutional amendment would be required for so radical an alteration in the governmental pattern as the abolition of counties. Suppose, however, that the legislature retained the county as a legal subdivision for the purpose of representation in the legislature, but extracted all its administrative functions, and we have a question that only the courts can answer. Furthermore, if a constitution requires a referendum when a county seat is to be changed, could the legislature take such action as would in effect abolish county seats without first amending that document? It is an interesting question although the practical aspects of the situation are all against it ever being raised. The legislatures themselves are composed largely of county political bosses or their representatives. It is inconceivable that such a body would take action to wipe out counties unless forced to do so by the most extraordinary circumstances. Such circumstances exist in the cut-over counties of timber states, where local government has practically broken down due to inadequate sources of revenue, but here again there is likely to be local support rather than opposition to abolition of useless government in these areas.

Abolition of county government in one fell legislative swoop is much less likely than abolition by amputation of function. The process of stripping county governments of the work they have to do is fairly under way in North Carolina and Virginia is following in her neighbor's footsteps. Whether other states fall into line will depend, not upon constitutional obstacles or conditions, but the relation of the county tax rate to farm income—or the lack of it—and the promise that state assumption holds of reducing the burden on real property.

OBSTACLES TO IMPROVEMENT IN ADMINISTRATIVE METHODS

Long lists of elective officials and the specification of archaic forms of organization constitute the principal constitutional barriers to the improvement of administrative methods in county government. There are, of course, manifold laws on the statute books which prescribe administrative methods in detail and prevent rather than aid effective county government. Such administrative improvements, however, as an executive budget, centralized purchasing, scientific assessment methods, modern accounting control and similar devices can be put into effect promptly upon the receipt of legislative sanction.

FINANCIAL LIMITATIONS IMPOSED BY STATE CONSTITUTIONS

The most common financial limitations imposed by state constitutions upon county governments are of two general classes: checks upon the incurring of debt; and limitations upon the raising of revenue by taxation. These provisions vary widely from state to state. Some of them are so severe as possibly to cause serious curtailment of the work of the county government; others are so liberal as hardly to constitute a brake upon county expenditure.

Checks upon the incurring of debt include provisions limiting the total debt to a certain per cent of the assessed valuation, the requirement of a referendum on propositions to issue bonds, and restrictions upon the purpose for which debt may be incurred.

Limitations upon the raising of revenue include provisions limiting the total amount to be raised by taxation to a certain per cent of the assessed valuation and the requirement that taxes shall be levied for a public purpose only. Strengthening these latter provisions are clauses in almost every state constitution forbidding the county to extend financial aid to a private enterprise. These latter date back to the heyday of railroad and commercial expansion when every county was scrambling for transportation facilities and industries, and executives were listening eagerly for the highest bid.

The wide variation between the provisions is interesting. In Indiana, Kentucky, Utah and Wyoming the county debt is limited to 2 per cent of the assessed valuation. In Washington it is limited to 1½ per cent unless the consent of three-fifths of the voters is obtained. On the other hand, New York and Nebraska place the limit at 10 per cent of the assessed valuation, but in Nebraska two-thirds of the voters' approval may increase the debt 5 per cent. In Pennsylvania the limit of 2 per cent may be raised by a vote of the people; a majority vote will permit it to go as high as 7 per cent; over this figure a three-fifths vote is required; the final limit is 10 per cent.

The provisions regarding the requirement of the approval of voters also vary widely, both as to the percentage of the vote required, and as to the amount of debt that may be incurred without a vote. Most county expenditures involve the accumulation of debt, of course, since few if any counties operate on a strictly cash basis. Consequently, the approval of voters is usually required for the accumulation of debt over a certain specified minimum amount. In Louisiana, however, no bonds whatever may be issued by the county government unless authorized by a vote of the majority of taxpayers holding the greater amount of property. In Michigan no debts for construction or repair of public buildings or bridges may be incurred without the approval of a majority of voters in excess of one-tenth of a mill on the assessed valuation. Counties in Montana may not incur any debt or liability for a single purpose to an amount exceeding $10,000 unless a majority of the voters approve. In other states a county may not incur indebtedness "exceeding in any year the income and revenue provided for such year" without the voters' approval.

The extent to which these various provisions act as a hindrance to the satisfactory administration of county affairs cannot be ascertained without an extensive study. They probably are not so great a hindrance as the numerous additional restrictions that have been placed upon the financial affairs of counties by legislatures. Nor should it be considered for a moment that all restrictions are unfortunate, for county governments have not been so notably efficient as to justify a free hand. If improvement in county government is to come through a strengthened county governmental organization, however, it must be appreciated that such an organization should have sufficient authority to carry on its work, unhampered by artificial restrictions based upon no intelligent conception of the work of the government.

Similar criticism applies to the arbitrary limits placed by many state constitutions upon taxation. If it is necessary to set a limit for the protection of citizens and to support the credit of municipalities, such limit should not be a hit or miss proposition, but should be based upon an analysis of the services such municipalities are performing and are likely to be called upon to perform. That this has not been done is evident from a comparison of present constitutional provisions.

CONCLUSIONS

After perusing hundreds of pages of constitutions, many of them containing no more vital information than that the boundaries of Squeedunk County shall begin at the northwest corner of Ebenezer Bull's red barn, thence in a direct line southwest to the high water mark of Goose Creek in flood time, one cannot fail to be impressed with the value of simplicity and directness in governmental documents which have as their primary aim the protection of the citizen through the setting forth of governmental powers and limitations.

If we were starting from scratch in this matter of developing local areas of administration for functions of state-wide concern, it is conceivable that the most intelligent thing we could do as of 1932 would be to omit all reference to county government in constitutions, and put our trust in legislative action. The local rural community could be safeguarded by some form of initiative and referendum machinery. We could then concentrate upon developing responsive and efficient state governments.

Since the county is now firmly embedded in our laws, customs, and traditions, however, it is important to reap whatever advantages it may have, and avoid the disadvantages. Writing advantages into constitutions is no simple task because an asset today may be a liability tomorrow. There is no better illustration of this than some of the constitutional provisions restricting legislatures from classifying counties. Originally designed to prevent the operation of the spoils system at its worst, these clauses became an obstacle to wise solutions of the county governmental problem.

Probably the provisions of the revised *Model State Constitution* represent as simple and satisfactory a way out of the labyrinth as experience has so far shown us.[15] Four opportunities are provided by these provisions, first, for the legislature to work out improved systems of county government and make them available to counties; second, for individual counties to solve their own difficulties by drafting their own charters; third, for an improved distribution of functions as between existing municipalities and counties; and fourth, for city-county consolidation. If the history of city government may be cited, it will be remembered that by far the most constructive and efficient governmental methods have been developed by individual municipalities, once they were given the opportunity to experiment, unrestricted by general state law. There seems no reason why this should not be true of counties. On the other hand, should it not prove to be so, the specification that "the powers and duties of county government shall be defined by general law" gives the legislature authority to do about as it pleases with the functions of county government.

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[15] See p. 540 infra for recommendations of the committee on county government as to revision of the provisions on local government for the *Model State Constitution*.

There are two fundamental aspects to constitution and charter drafting. These are power and protection: power to the government to permit it to be a positive government, moving with the times; protection to the citizen lest it become negative or too positive without the opportunity for him to do something about it. If county government provisions of state constitutions can be redrafted with these points in mind, much rubbish can be thrown out, and constitutions at least may not hinder, if they do not help, the progress of local government.

COUNTY GOVERNMENT

State	*Elective Officials Required by the State Constitutions*
Alabama	Sheriff, solicitor, circuit court clerks, constable.
Arizona	Superior court judges, superior court clerk, sheriff, recorder, treasurer, school superintendent, county attorney, assessor, county superintendent of roads, surveyor, supervisors. "Subject to change by law."
Arkansas	Circuit court clerk (ex officio clerk of county and probate court where population of county exceeds 150,000) recorder, county judge, sheriff (ex officio tax collector) assessor, coroner, treasurer, surveyor, constable.
California	
Colorado	County judge, county school superintendent, county commissioners, county clerk (ex officio recorder of deeds and clerk of board of county commissioners) sheriff, coroner, treasurer (ex officio tax collector) school superintendent, surveyor, assessor, constable.
Connecticut	Sheriff, coroner, judge of probate, justice of peace.
Delaware	Coroner, recorder, sheriff, register of wills.
Florida	Sheriff, circuit court (clerk ex officio county court clerk except in counties where there are criminal courts) and clerk of the board of county commissioners, recorder (ex officio auditor) county judge, (in criminal courts of record clerk ex officio county clerk) county commissioners, constable, county assessor, tax collector, superintendent of public instruction, county surveyor.
Georgia	Ordinary, specified counties to elect specific officers.
Idaho	District court clerk (ex officio auditor and recorder) prosecuting attorney, county commissioners, sheriff, treasurer (ex officio public administrator and tax collector) probate judge, superintendent of public instruction, assessor, coroner, surveyor. "No other county officers to be established."
Illinois	State's attorney, county commissioners, county judge, county clerk, sheriff, treasurer, coroner, clerk of court (ex officio recorder of deeds in counties having more than 60,000 population). Cook County to be managed by board of fifteen.
Indiana	Clerk of circuit court, auditor, recorder, treasurer, sheriff, coroner, surveyor.
Iowa	County attorney.
Kansas	District court clerk, probate court judge, county school superintendent, county commissioners. "Legislature shall provide for such county and township officers as may be necessary."
Kentucky	Judge of county court, county court clerk, county attorney, sheriff, jailer, (legislature may consolidate office of jailer with office of sheriff), coroner, surveyor, assessor, court of appeals judge, and in each justice's district one justice of peace and one constable.
Louisiana	Sheriff (except in parish of New Orleans, sheriff is ex officio collector of state), district court clerk, coroner,—except New Orleans, tax assessor. (In Orleans—recorder of mortgages, register of conveyances, civil and criminal sheriff.)
Maine	Sheriff, judge, registers of probate.

Maryland	Judge, circuit court clerk, 3 judges of the orphan's court, register of wills, sheriff, state's attorney, county commissioners, county surveyor. Worcester County to elect wreck master.
Massachusetts	Sheriff, register of probate, clerk of court.
Michigan	Probate judge, sheriff, county clerk, county treasurer, register of deeds, prosecuting attorney. (Board of supervisors may unite and separate offices of county clerk and register of deeds.)
Minnesota	
Mississippi	Sheriff, coroner, treasurer, assessor, surveyor, clerks of courts, members of board of supervisors to be selected in manner provided by law, constable. "Legislature may make elective or abolish or otherwise provide for."
Missouri	Sheriff, coroner. "Legislature to provide for other officers."
Montana	District court clerk, county attorney, county commissioners, county clerk (ex officio clerk of county commissioners and recorder) sheriff, treasurer (ex officio tax collector) school superintendent, surveyor, assessor, coroner, public administrator.
Nebraska	Judge of county court. "Legislature shall provide by law for the election of such county officers as may be necessary."
Nevada	County clerk (ex officio clerks of courts of records and of boards of county commissioners) recorder, sheriff, district attorney, surveyor, public administrator, superintendent of schools, auditor.
New Hampshire	County treasurer, register of probate, solicitor, sheriff, register of deeds.
New Jersey	Clerk and surrogate, sheriff, coroner, justices of peace.
New Mexico	County clerk—until otherwise provided by law. Constable.
New York	Sheriff, county clerk, district attorney, registers in counties having same, supervisors.
North Carolina	Superior court clerk, sheriff, coroner, treasurer, register of deeds (ex officio clerk of board of commissioners) surveyor, 5 commissioners—legislature may modify or abrogate, clerk, justices of peace.
North Dakota	Clerk of district court where court is held, judge of county court, county school superintendent, clerk of court, register of deeds, county auditor, treasurer, sheriff, state's attorney, county commissioners.
Ohio	Judge and clerk of common pleas court—"Legislature to provide for election of necessary county officers."
Oklahoma	County clerk, county commissioners.
Oregon	County clerk, treasurer, sheriff, coroner, surveyor.
Pennsylvania	Sheriff, coroner, prothonotary, register of wills, recorder of deeds, commissioner, treasurer, surveyor, auditor of controller, clerks of courts, district attorney and others which may be established by law.
Rhode Island	
South Carolina	Clerk of court of common pleas, sheriff, coroner. "Legislature shall provide for such county and township and district officers as may be deemed necessary."
South Dakota	County judge, circuit court clerk (ex officio county court clerk) sheriff, county auditor, register of deeds, treasurer, state's attorney, surveyor, coroner, superintendent of schools.

Tennessee	Inferior court clerk, sheriff, trustee, register, county justices of peace to elect coroner and ranger, constable, justices of peace.
Texas	District court clerk, county judge, justice of peace, constable, county commissioners, county clerk (ex officio clerk of the county and commissioners court and recorder of the county) county attorney in counties where there is not a resident criminal district attorney, sheriff (ex officio tax collector but in counties over 10,000 population a separate tax collector) tax assessor, treasurer, surveyor.
Utah	County attorney.
Vermont	County court judges to be elected by legislature in joint session, assistant county court judge, sheriffs, judge of probate, high bailiff, state's attorney, justices of peace.
Virginia	Treasurer, sheriff, attorney for Commonwealth, county clerk, commissioner of revenue. "Notwithstanding the provisions of this article the general assembly may, by general law, provide for complete forms of county organization and government, to become effective in any county when approved by the majority of the voters.
Washington	Board of county commissioners, sheriff, county clerk, treasurer, prosecuting attorney and other county officers.
West Virginia	Circuit court clerk, commissioners, county court clerk, justices of peace, land surveyor, prosecuting attorney, sheriff, assessors, constables.
Wisconsin	Sheriff, coroner, register of deeds, district attorney, clerk of circuit court, all other county officers, and probate judge unless abolished by legislature.
Wyoming	District court clerk. "Legislature to provide for election of such county officers as may be necessary."

RECOMMENDATIONS OF THE COMMITTEE ON COUNTY GOVERNMENT AS TO PROVISIONS ON LOCAL GOVERNMENT FOR THE MODEL STATE CONSTITUTION

(NOTE:—When the word "new" appears in parentheses following the section number, it indicates the section is not now included in the provisions on local government in the *Model State Constitution.* When a number appears in parentheses following the section number, it refers to the number of that section as it now appears in the *Model State Constitution.* Variations in the wording of such sections have been indicated by **bold type.**)

Section 78. (New) Provision shall be made by general law for the organization and government of counties, cities and villages. Optional laws may also be enacted for the organization and government of counties, cities and villages; but no such optional law shall become operative in any county, city or village until submitted to the electors thereof and approved by a majority of those voting thereon.

Section 79. (80) Any **county or** city may frame and adopt a charter for its own government in the following manner:

The legislative authority of the **county or** city may, by a two-thirds vote of its members, and upon petition of ten per cent of the qualified electors **thereof** shall forthwith, provide by ordinance or resolution for submission to the electors of the question, "Shall a commission be chosen to frame a charter **for the county (or city) of** ——————?" The ordinance or resolution shall require that the question be submitted to the electors at the next regular election, if one shall occur not less than sixty nor more than one hundred and twenty days after its passage, otherwise, at a special election to be called and held within the time aforesaid. The ballot containing such question shall also contain the names of candidates for the proposed commission, but without party designation. Such candidates shall be nominated by petition signed by not less than one per cent of the qualified electors **of such county or city** and filed with the election authorities at least thirty days before such election, but the signatures of more than one thousand (1,000) qualified electors shall not be required for the nomination of any candidate. If a majority of the electors voting on the question of choosing a commission shall vote in the affirmative, then the nine candidates receiving the highest number of votes (or if the legislative authority of the state provides by general law for the election of such commissioners by means of proportional representation, then the nine chosen in the manner required by such general law) shall constitute the charter commission and shall proceed to frame a charter **for such county or city.** The legislative such county or city shall, if so requested by the charter commission, appropriate authority of such **county or** city shall, if so requested by the charter commission, appropriate money to provide for the reasonable expenses of the commission and for the printing of any completed charter and any separate and alternative provisions thereof and their distribution to the electors as required by *Section 81* of this Article.

Section 80. (81) Any charter framed as provided in *Section 79* of this Constitution shall be submitted to the qualified electors of the **county or** city at an election to be held at a time to be determined by the charter commission, but at least thirty days subsequent to the completion of the charter and its distribution among the electors and not more than one year after the election of the charter commission. Any part of such a charter, or any provision alternative to a part thereof, may be submitted to be voted upon separately. Not less than fifteen days before any such election the commission shall make provision for the distribution of copies of the proposed charter, and of any separate parts and alternative provisions thereof, to the qualified electors of such **county or** city. Any charter so proposed which is approved by a majority of the electors voting thereon, with the addition of such parts and as modified by such alternative provisions as may have been separately submitted and similarly approved by a majority of those voting on any such part or provision, shall become the organic law of the **county or** city at the time fixed in such charter, and shall supercede any existing charter and all laws affecting the organization and government of the county or city which are in conflict therewith. Within thirty days after its approval the election authorities shall certify a copy of the charter to the secretary of state who shall file it as a public record in his office and publish it as an appendix to the session laws enacted by the legislature.

Section 81. (82) Amendments to any such charter may be framed and submitted by a charter commission in the same manner as provided in *Section 81* for framing and adopting a charter. Amendments may also be proposed by a two-thirds vote of the legislative authority of the county or city, or by petition of five per cent of the electors thereof; and any such amendment, after due public hearing before such legislative authority, shall be submitted to the qualified electors of such county or city at a regular or special election as in the case of the submission of the question of choosing a charter commission. Copies of all proposed amendments shall be sent to the qualified electors. Any such amendment approved by a majority of the electors voting thereon shall become a part of the charter of the county or city at the time fixed in the amendment and shall be certified to and filed and published by the secretary of state as in the case of a charter.

Section 82. (New) Counties shall have such powers as shall be provided by general or optional law. Cities, villages and other local units of government may, with the consent of the county, transfer to the county any of their powers or revoke the transfer of any such power, under regulations provided by general law; but the rights of initiative and referendum shall be secured to the people of such cities, villages, or units in respect of every measure making or revoking such transfer, and to the people of the county in respect of every measure giving or withdrawing such consent.

Section 83. (New) Any county charter shall provide the form of government of the county and shall determine which of its officers shall be elected and the manner of their election. It shall provide for the exercise of all powers vested in, and the performance of all duties imposed upon counties and county officers by law. Such charter may provide for the concurrent or exclusive exercise by the county, in all or in part of its area, of all or of any designated powers vested by the Constitution or laws of this state in municipalities and other local units of government; it may provide for the succession by the county to the rights, properties, and obligations of municipalities and other local governments therein incident to the powers so vested in the county, and for the division of the county into districts for purposes of administration or of taxation or of both. No charter or amendment vesting in the county any powers of a municipality or other local unit of government shall become effective unless it shall have been approved by a majority of those voting thereon (1) in the county, (2) in any municipality containing more than 25% of the total population of the county, and (3) in the county outside of such municipality.

Section 84. (83) Except as provided in *Section 83* each city shall have and is hereby granted the authority to exercise all powers relating to municipal affairs; and no enumeration of powers in this Constitution or any law shall be deemed to limit or restrict the general grant of authority hereby conferred; but this grant of authority shall not be deemed to limit or restrict the power of the legislature, in matters relating to state affairs.

The following shall be deemed to be a part of the powers conferred upon cities by this section:

(a) To levy, assess and collect taxes and to borrow money, within the limits prescribed by general laws; and to levy and collect special assessments for benefits conferred;

(b) To furnish all local public services; to purchase, hire, construct, own, maintain, and operate or lease local public utilities; to acquire, by condemnation or otherwise, within or without the corporate limits, property necessary for any such purposes, subject to restrictions imposed by general law for the protection of other communities; and to grant local public utility franchises and regulate the exercise thereof;

(c) To make local public improvements and to acquire, by condemnation or otherwise, property within its corporate limits necessary for such improvements, and also to acquire an excess over that needed for any such improvement, and to sell or lease such excess property with restrictions, in order to protect and preserve the improvement;

(d) To issue and sell bonds on the security, in whole or in part, of any such excess property, or of any public utility owned by the city, or of the revenues thereof, or of both, including in the case of a public utility, if deemed desirable by the city, a franchise stating the terms upon which, in case of foreclosure, the purchaser may operate such utility;

(e) To organize and administer public schools and libraries, subject to the general laws establishing a standard of education for the state;

(f) To adopt and enforce within their limits local police, sanitary and other similar regulations not in conflict with general laws.

Section 85. (84) General laws may be passed requiring reports from counties, cities and villages as to their transactions and financial condition, and providing for the examination by state officials of the vouchers, books and accounts of all county and municipal authorities, or of public undertakings conducted by such authorities.

Section 86. (85) All elections and submissions of questions provided for in this article or in any charter or law adopted in accordance herewith shall be conducted by the election authorities provided by general law.

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CONTENTS FOR SEPTEMBER

EDITORIAL COMMENT .... *H. W. Dodds* 543
THE DEPRESSION IN GERMAN CITIES .... *Henry G. Hodges* 545
THE SHORT BALLOT SAFE IN VIRGINIA .... *George W. Spicer* 550
LESSONS FROM ENGLISH EXPERIENCE WITH GARDEN CITIES .... *W. Loftus Hare* 553
WHAT LOCAL OFFICIALS THINK OF STATE FINANCIAL CONTROL .... *Morton L. Wallerstein* 557
LOCAL GOVERNMENT IN THE IRISH FREE STATE .... *Laurence P. Byrne* 560
WHAT MUNICIPAL HOME RULE MEANS TODAY
VIII. Nebraska's Three Home Rule Charters .... *John P. Senning* 564
PROGRAM OF THE THIRTY-EIGHTH ANNUAL MEETING—SUPPLEMENT

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 569
II. Recent Books Reviewed 573
III. Municipal Activities Abroad .... *Edited by Rowland A. Egger* 577
IV. Notes and Events .... *Edited by H. W. Dodds* 581

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THE LEAGUE'S BUSINESS

Committee on Constructive Economy in Government.—At the meeting of the council in Chicago in May, it was decided to appoint a committee to formulate a report embodying the League's principles of real economy in state and local government to counteract the prevailing propaganda for reduction in governmental costs through percentage cuts in the budget regardless of effect upon services. The committee was appointed with the following personnel: Thomas H. Reed, Ann Arbor, *chairman;* Henry Bentley, Cincinnati; H. S. Buttenheim, New York; J. W. Esterline, Indianapolis; A. R. Hatton, Evanston; and C. E. Merriam, Chicago.

This committee met in Chicago on August 12 to consider a tentative draft of the report prepared by A. R. Hatton. It is expected that the final report will be printed and available for general distribution sometime this month. The committee report will be given nation-wide publicity through a series of radio addresses beginning on November 15 and extending through December 27. These addresses will discuss the principles of economy outlined in our committee report, on a coast-to-coast hook-up of the National Broadcasting System. They have been arranged and will be presented under the auspices of the Committee on Civic Education by Radio of the National Advisory Council on Radio in Education and the American Political Science Association.

* * *

Committee on Proportional Representation.—In accordance with the agreement for the merger of the Proportional Representation and National Municipal Leagues, which became effective on May 1, President Seasongood has appointed the following Committee on Proportional Representation from the membership of the two organizations: C. G. Hoag, Haverford, Pa., *chairman;* Geo. H. Hallett, Jr., New York, *secretary;* Albert S. Bard, New York; Louis Brownlow, Chicago; H. S. Buttenheim, New York; Paul H. Douglas, Chicago; Mrs. George Gellhorn, St. Louis; A. R. Hatton, Evanston; Ralph Holterhoff, Cincinnati; Lewis Jerome Johnson, Cambridge; George H. McCaffrey, New York; Murray Seasongood, Cincinnati; Wm. Jay Schieffelin, New York; Mrs. F. Louis Slade, New York; and Thos. Raeburn White, Philadelphia.

This committee will hold its initial meeting in Washington in connection with our 1932 Conference.

* * *

Retirement of M. N. Baker.—After forty years of continuous service with the *Engineering News Record,* M. N. Baker retired on July 1 of this year. Mr. Baker for many years was a member of the Council of the National Municipal League, and since its creation has been a member of our Committee on New Municipal Program which has sponsored the *Model City Charter.*

* * *

Baldwin Prize Award.—The committee on award of the annual Baldwin Prize consisting of Harry H. Freeman, Director, Buffalo Municipal Research Bureau; Wallace S. Sayre, Department of Government, Washington Square College, New York University; and Richard Welling, Chairman, National Self-Government Committee, has awarded the first prize to Norman Nahum Gill, University of Chicago. The subject of his essay was "The Manager Plan for Counties." The Baldwin Prize of one hundred dollars has been offered annually for many years by the National Municipal League for the best essay on municipal government by a college undergraduate.

Honorable mention for his essay on "The Fate of the Urban County" was received by Ralph Wesley Muntz of Western Reserve University; and third place in the contest, by Milo Fleming of the University of Illinois for his essay on "Judicial Interpretation of Civil Service Legislation."

RUSSELL FORBES, *Secretary.*

Editorial Comment
✣
September

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If President Harding had seen Alexander S. Carlson's *Complete Political Calendar* for New York State, he would not have remarked "that after all government is a very simple thing." For the year 1932 Mr. Carlson lists no less than 175 dates on which some political action is required by state law.

*

City Manager McElroy of Kansas City announces material savings in the operation of the police department since it has been placed under the control of the municipal government. The department now has 581 employees as against 665 at the same period last year under state control. The actual savings in salaries for the first fifteen days of home rule, he declares, amounted to more than $7000.

*

North Carolina Saves on Audits Municipal officials often resist anything in the form of a state audit or state supervision of their audits. Their arguments are usually spurious and their opposition does not encourage confidence in them. To such we commend the recent statement of Governor Gardiner of North Carolina. In 1929 the legislature of that state required that all contracts for county audits be approved by the state director of local government, as well as payments for service rendered. Prior to that time many counties had paid as much as $25,000 for an audit. The first year of operation of the new county audit law effected a saving of almost $90,000. The audits were made on a uniform basis throughout the state and were of permanent value to the community. Last year the general assembly extended the same act to cities and towns and the governor predicts that the saving to municipalities in the first year will amount to at least $85,000.

*

San Mateo County's Proposed Charter We are endebted to Edwin A. Cottrell for the details of the home rule charter on which San Mateo County, California, will vote in November. It is of the supervisor-executive type. The five supervisors will select a county executive, who will appoint administrative subordinates subject to confirmation by the board of supervisors. The district attorney, sheriff, assessor, comptroller, justices of the peace, and superintendent of schools are elective. The appointment of the executive is to be by a peculiar process. A qualifying board, composed of two superior court justices, the county superintendent of schools, one person to be named by these three, and one to be selected by the supervisors, is to present a list from which the supervisors will choose an executive for a four-year term.

Professor Cottrell was consultant to the board of freeholders which drafted the charter. The nature of the charter and the result of the election thereon will be reported in a later article by Frank M. McVeigh, assistant secretary of the board of freeholders.

*

Home Rule and Municipal Credit Many people in the United States are busy inventing mechanical tax limits for cities. All sorts of cure-alls are being advertised. Many of them put their trust in agencies outside the municipal government proper, and invoke some form of state control. Others are merely variations of the time honored tax limit which, experience teaches, does not limit at all. Of the latter type was the $61,000,000 expenditure limit proposal rejected by the voters of Detroit on August 9. In this case the industrial, commercial and civic leaders of the city were wise enough not to impose such an irrational method of economy upon an harrassed administration.

There is no convincing quantitative answer to the question as to how far a state can properly go in controlling local finances. The centralizationists of today urge an administrative control which avoids many of the evils of a discredited legislative control; some of the arguments which were valid when applied to the latter cannot be employed against a well planned administrative supervision.

In this issue Mr. Wallerstein analyzes the local officials' attitude towards fiscal direction from the state capitol. In his opinion the true causes of our present discontent are too great state interference in the past. The way out, he believes, lies along the path of expanded self-government for the cities, and greater respect for the hard working municipal official. Other writers, also distrustful of centralization in any garb, point to the excellent work of bureaus of research and taxpayers' leagues where citizens have been alert. And so the battle rages between the centralizers and the home rulers.

Granting, for the sake of argument, the validity of the home rule position in normal times, there can be no doubt that the state has a special obligation to a city on the verge of bankruptcy. No rhetoric can alter the fact that, when public credit is involved, no city lives unto itself alone. The test to be applied here is purely the pragmatic one of how the state can best serve the municipality and the municipality's neighbors. The interest of the state is direct and unassailable.

What the newspapers like to call a dictatorship has lately been established in the Ontario border cities near Detroit. The 1932 legislature of Ontario passed an act. When a municipality has defaulted or is in danger of doing so, the Ontario Municipal Board, on request of the municipality or of creditors representing 20 per cent of the indebtedness, may appoint a committee of supervisors with virtual control over the city. Something similar to this method has been used on occasion in the United States, but official opposition to such a course is generally much stronger here than in Canada. In the case of the border municipalities the act was invoked by the local governing bodies themselves.

Regarding the charge of dictatorship Dr. Horace L. Brittain says

> What happens to a private concern if it is unable to meet its liabilities? If it is decided in such an instance that it will serve the best interests of all to carry on and rehabilitate the company, how much voice are the previous owners given in its management? After all, the citizens of a municipality and the council representing them are basically responsible for the condition. Is not the guidance of carefully selected outside supervision likely to prove helpful in hastening a return to normal? The interests of the citizens who correspond to the stockholders are not liable to suffer in comparison with those of bond holders.

The Depression in German Cities

ALL German cities are in severe straights. As with us, the people are looking to the national government

BY HENRY G. HODGES *Reading, Pa.*

THE two chief sources of income for German cities are the tax on industrial and commercial concerns, and the tax on ground and buildings. Before the War the German cities had the right to levy an income tax, but with the adoption of the new constitution after the War, this right was reserved to the national government. Until the latter part of 1929 there was no serious objection on the part of the cities, although it was felt by those interested in municipal administration that this limitation was an unfair restriction of their powers. Since the administrative group in the German cities is a continuous and professional class, its conclusions on such matters are based on experience, and have a sounder background than the same opinion in the United States. When industrial conditions started to show a material change in 1930 and 1931, this call of the cities for a greater taxing opportunity became of real importance.

The fiscal year starts on April 1, and for the year 1932-33 many German cities find it impossible to balance their budgets. In fact the situation has become so general that a break in the financial morale of the cities makes it easy for any particular city to announce that it cannot make the two ends meet during the coming year, and "what is the Reichstag going to do about it?" There is also the feeling on the part of the city fathers generally that the Reichstag is interested only in balancing its own budget, which is in large measure probably true, and wishes to leave the cities to work out their own problems. Some appreciation of such an attitude is felt by anyone living in a large German city at the present time. The situation seems to be that everyone is wondering what will happen next and waiting for someone else to make a move.

Naturally, with the depression, the industrial and commercial taxes declined materially. As in American cities, the collection of the real estate taxes has lagged, and cities cannot pay bills with taxes that are merely due but unpaid. Some of the minor personal taxes have declined even more. The unemployed cannot pay taxes, and it is variously estimated that unemployment in all German cities runs from 25 per cent to 30 per cent.

EXCEPTIONAL EXPENDITURES

Against the decreased income, the cities have two major expenditures at the present time, both of which are practically unknown to us. One is made up of the deficits that many of the city-owned and operated utilities are showing; and the other is the ever-increasing payments to the unemployed. Immediately after the War the German people all seemed to agree that it would be a good thing for the cities to take over as many of the existing utilities as possible, and establish others where there was a public demand. Among other things, the cities found themselves owning and operating, in 1930, the following: electric and gas works, theatres, hotels, bath-houses, airplane fields, libraries, advertising signs, hospitals, museums, city fairs and information bureaus—to mention only a few. With the depression came deficits from the operation of many of these unusual municipal activities. Some of the services had to be cut and some had to be abandoned altogether, for the present. Neither public opinion nor industrial conditions would permit an increased charge for the city's services. All of this added its quota to the unemployed, and the end is not yet in sight. This particular condition has developed several novel schemes on the part of the cities to get out from under, and has resolved itself into "the fight between private and public economy." Necessity has invented combination plans of public and private ownership and operation that are both new and intensely interesting. Their results will no doubt be a considerable factor in marking out future developments along this line in other countries. The German professional class in this business of operating cities is determined to get results in an embarrassing and important angle of their general problem.

To appreciate the figures on unemployment payments, one must understand the plan of payments. When a worker has lost his job he must take care of himself for the first three weeks. After that the payments are made by the national government for twenty weeks. Then, for the period of a year, the national government contributes four-fifths of the payments, and the cities must make up the other one-fifth. From this point the city must take over the entire burden of the payments of its unemployed. And it is this point that was reached last year as far as the bulk of the payments is concerned. With new names being added to the list weekly, the city's total is ever increasing.

SOME CASES

To show the changes that have taken place since 1929, we have the following figures from the *Staedtetag,* a central clearing organization for statistical and other information, and for investigation of and for the larger cities which support the bureau. The cities discussed below represent all geographical locations except the south. At this writing the large cities of the south have not compiled their figures, but it is to be noted that their condition is much better, due chiefly to their relatively larger agricultural activity.

Dortmund has a population of 533,000 and is located in the west. It is the great city of the Ruhn coal district. Its present financial dilemma has been intensified by two special factors. In the first place it annexed in 1928 and 1929 a number of surrounding communities, so that its population changed from 247,000 just before the War, to 533,000 in the present year. Furthermore, in the past few years, the center of the coal mining industry has shifted further north so that most of the Dortmund mines are closed altogether. This combination of circumstances awaited the fast approaching depression, with the result that Dortmund has found it extremely difficult to meet many of the peculiar problems resulting from the annexations. To illustrate with the figures: Dortmund's share of the taxes returned by the state and national government, which we will call the transfer tax, in 1930, the first year of the greater city, was $4,500,000, almost double the amount paid out that year for unemployment. In 1932 this transfer tax dropped to $4,000,000 while the unemployment figures increased to $8,950,000—almost three and one-half times what it was in 1930. In 1930 the income tax collected by the national government in this city amounted to $15,000,000; while in 1932 the figure had dropped to $8,850,000—less than the city's unemployment payments of $8,950,000. At the present time 34 per cent of the city's population are receiving public relief of some kind.

Mannheim has a population of 270,000 and is located in the southwestern part of the country. Its situation is as bad or worse than that of Dortmund, and in addition to the general depression, it has also suffered greatly because of the fact that the changed geographical line since the War has made it a border city of France—a matter of great moment with Germany. This new boundary status has changed the fundamental economic position of Mannheim. Border cities are considered unsafe for large industries, and hence have suffered a drop in manufacturing and in the wholesale trade. Mannheim has altogether lost its former commanding position in banking and insurance. The Renz Company, employing 3500 people, has moved its plant to a more inland location where it is safer in the event of war.

The transfer tax which amounted to $3,950,000 in 1929, almost six times the amount required for unemployment payments of $700,000, decreased in 1932 to $2,850,000. During the same period the unemployment expense of the city has grown from $700,000 to $1,750,000. The income tax paid to the national government amounted to $6,750,000 in 1929; while in 1932 it dropped to $5,000,000. The city's needs for all social purposes in 1929 was only one-third of these income tax payments, but in 1932 these social needs were one-third greater than the total income tax. For the present year it must carry 29 per cent of the entire unemployment burden of the state of Baden. Of the present population, 30 per cent are receiving public assistance. To meet this situation the city is making every effort to cut its operating expenses, although the cut for this year amounting to one-third of the former expenditure is not sufficient to balance its budget.

BRESLAU AND STETTIN

Breaslau in the east has a population of 617,000 and has probably received an even greater set-back than Mannheim. It has become, since the War, a border city, and if possible a more precarious border city than Mannheim, because it is close to the Polish corridor. The international situation here is such that it will not be safe within the memory of the present generation. This naturally has a grave effect on the economic position of Breslau. Not only the tariff policy of Poland, but probably also the avowed policy of the German government, as will be explained, operate not only to stifle the growth of Breslau as a city but actually to hold out for it the prospect of a considerable set-back.

Breslau's share of the transfer tax in 1929 amounted to $7,850,000—about four times the amount required for unemployment payments of $1,900,000. In 1932 this transfer tax has dropped to $2,850,000, which is less than a quarter of the present requirements for unemployment—$11,575,000. The income tax dropped from $15,575,000 in 1929 to $11,625,000 in 1932, while the total amount required for all social purposes this year is $15,200,000. Of the total population there are 230,000 or 37 per cent receiving public aid of some kind.

Stettin has a population of 270,000 and is located in the north near the Baltic Sea. In fact, it is Germany's greatest Baltic city and the third greatest harbor in the country. Here again, however, the Polish corridor is playing an important rôle in the transformation of a

German city. The artificial stimulus given to Gdingen, the new seaport of the corridor, has caused it to become an effective competitor of Stettin for the Baltic trade. On account of its geographical location Gdingen has unusual harbor facilities. This, with its natural importance to Poland, and the high tariff wall erected for its protection, have all operated to effectively check the growth of Stettin. The first practical result was the dismantlement of its large shipyard.

Here, while the tranfer tax in 1929 was $3,125,000 or nine times the amount of the unemployment payments of $350,000, in 1932 it had dropped to $1,075,000 and the unemployment payments have increased, almost unbelievably, to $2,225,000. During the same period the income tax dropped from $5,950,000 to $4,625,000. At the present time 31 per cent of the population are receiving public aid.

HALLE

Halle is in the central part of Germany and has a population of 203,000. It is a well known industrial and commercial city, and the center of the well developed brickette, potash and sugar beet industries. The Leuna-Werke, manufacturers of brickettes, is the largest concern of its kind in central Germany. Since the War, partly on account of its favorable inland situation, Halle has enjoyed considerable prosperity. Its industries are of mixed character, and made up of a happy combination of medium sized and small concerns, as well as those with a national reputation. In spite of these favorable factors the present economic crisis has caused plenty of trouble for Halle.

The transfer tax decreased from $2,575,000 in 1929 to $825,000 in 1932. In 1929 the unemployment payments amounted to only $160,000 and were covered six times over by the transfer tax. In 1932 this tax income was not more than half the needs for unemployment payments, which have grown to $1,900,000—more than ten times what they were in 1929. The total income tax in 1929 was $4,900,000, while in the present year it is $3,400,000. At the same time the needs for all social purposes this year is $3,225,000. In Halle, in 1932, 29 per cent of the population are receiving public assistance.

REPARATIONS AND THE CITIES

So everywhere, except possibly in the south, where the figures are not yet available, the picture is the same. The German cities are universally faced with a decrease in the transfer tax and an ever-increasing need for unemployment payments. After the majority of the cities meet their so-called social requirements they have practically consumed their entire incomes. They are then faced with the problem not only of salaries and wages, but interest and amortization of their debts, which are fixed requirements. The burning question is —what about the future deficits? The situation has now reached such proportions that it will very shortly demand the attention of the national government. But the present national condition of unrest is such that the government has its hands full with its own affairs.

In the large cities, particularly in Hamburg and Berlin, the general discontent of the unemployed, whose income is only a portion of what it would be if they were working, is causing considerable anxiety. The universal feeling is that conditions cannot improve until there is a definite understanding that there shall be no more reparation payments. Such relief for the national government will permit it to pass along sufficient funds to meet the unemployment needs, on the one hand, and restore confidence to the extent of stimulating business on the other. From the standpoint of present considerations, it would enable the cities to balance their budgets.

To present the situation at a glance, the following are total figures for German cities for the years 1929 and 1932, as we have been considering them in the typical cities selected. The income tax for 1929 was $300,000,000; for 1932 it was $125,000,000. Within the same two years the unemployment figures jumped from $57,500,000 to $330,000,000; while the amount of the transfer tax returned to the cities declined from $412,000,000 to $245,000,000. The only industries in Germany that are in favorable condition are those, like the agricultural machinery and textile industries, which are manufacturing merchandise for the reparation payments in kind. Their payments come from the national government and the merchandise is shipped to the receiving countries. Such reparation payments have, of course, continued and these industries have not suffered through the depression.

POPULATION LEAVING THE CITIES

The national government, through the *Arbeits Ministerium,* is making every possible effort to relieve the unemployment situation by turning the increase of population from the cities to the land. Last year was the first to show the results of this work. Of twenty-eight cities with a population of over 200,000 there was a gain in only five. While the figures are not large, the tendency is well defined. In the group of twenty-one cities between 100,000 and 200,000 only seven showed a gain. The figures also show the increase of population to be in the small cities and on the small farms.

In addition to forming a more or less permanent solution to the present situation, this artificially stimulated movement back to the land is part of the government's program of national defense. When large estates are sold they are in many instances bought by the government and made available for small farmers, especially when such land lies along the eastern or western borders of the country. Along the eastern border, particularly, is Germany making an active effort to increase its population by transfers from the large cities. This plan also fits in with its determination to raise the food necessary for the country's consumption. Eggs and butter are now imported in large quantities.

PROPOSED REMEDIES

The *Staedtetag,* which is the recognized mouthpiece of the cities, suggests two plans, either one of which would take care of the present dilemma of the cities. It is the unemployment payments that are chiefly bothering the cities, and these payments they estimate for the budget year 1932-1933 to be $375,000,000. Of this amount they contend the cities can raise, under present conditions, only $150,000,000. It is, therefore, suggested that the national government pay to the cities the $225,000,000 to make up this difference.

It is also suggested that the transfer tax be eliminated, and that the money contributed to the communities to make up the fund from which these payments are made, remain in those communities. As an alternative to this plan it is suggested that under the authority vested in the president by the famous article 48 of the constitution, the cities be given the authority to levy an income tax. By this method, also, it is claimed that they can balance their budgets. What this plan would do to the present tax problem, or where the national government would get the extra $225,000,000 for the first plan, is not enlarged on. In conclusion, the bureau insists that a recommendation of the entire financial program of German cities is most pressing, and should receive the prompt attention of the national government, with a proper consideration of not only its own needs, but also those of the cities.

The Short Ballot Safe in Virginia

ALTHOUGH the legislature has power to restore certain administrative offices to the ballot, the state prefers the economies of the new system and will retain it

BY GEORGE W. SPICER *University of Virginia*

THE short ballot in Virginia was introduced by constitutional amendments approved by the voters of the state on June 19, 1928. These amendments along with numerous others were regarded as necessary to the completion of the reorganization of the state government initiated through the reorganization act of March, 1927. They affected four state officers who had formerly been elected by direct vote of the people, namely, the secretary of the commonwealth, the state treasurer, the superintendent of public instruction and the commissioner of agriculture and immigration. As to the secretary of the commonwealth, section 80 of the constitution as amended, authorized the general assembly on and after February 1, 1930, to abolish the office, and the general assembly, at its special session of 1927 did in fact abolish the office, to be come effective February 1, 1930, subject to the ratification of the proposed amendment. By this act the powers and duties of the secretary of the commonwealth were transferred to other officers.

The amendments relating to the other three officers referred to in the preceding paragraph provide that each "shall be appointed by the governor, subject to confirmation by the general assembly for a term coincident with that of each governor making the appointment" with the proviso, however, "that the general assembly shall have power, by statute enacted after January first, nineteen hundred and thirty-two," to provide for their election or appointment.

It should also be stated here that through another amendment, not included in the short ballot resolutions, the three members of the state corporation commission, who since 1918 had been elected by the people, are now elected by the general assembly. Thus it is seen that prior to 1927 ten state officers, excluding the members of the general assembly, were elected by the people, whereas now only three are elected, namely, the governor, the lieutenant governor and the attorney general.

The state auditor of public accounts is the only administrative official elected by the general assembly. The purpose of vesting the selection of this officer in the legislative body is to afford an independent check upon the activities of the administration.

FUTURE RESTS WITH LEGISLATURE

It will be observed that the destiny of the short ballot in Virginia now rests in the hands of the legislature. The general assembly can provide for the election or appointment of the state superintendent of public instruction, the treasurer, and the commissioner of agriculture and immigration in any manner that it desires. Thus an interesting and important question to both advocates and opponents of the short ballot principle is, what will the next legislature of Virginia do with the short ballot? Now, the present writer has neither the capacity nor the temerity to play the rôle of a prophet, but there are certain factors involved in this question, a knowledge of which may render guessing less hazardous.

OPPOSITION TO ORIGINAL ADOPTION

After thorough public discussion and in the face of strong opposition, the short ballot amendments were adopted by the narrow margin of approximately three thousand votes, each amendment being voted on separately. The chief arguments against the proposal were that it deprived the people of the sacred right of electing directly their important officials, and that to place so much power in the hands of the governor would enable him to build up an impregnable machine and defy the voice of the people. In support of the proposal it was contended, among other things, that it was calculated to restore popular control to the people by simplifying the elective process and fixing responsibility where it could be located and rigidly exacted. It was also pointed out that the duties of the offices involved in the Virginia proposal required technical knowledge of their incumbents and that the governor was in a much better position to select persons with the necessary qualifications than the electorate. However, the arguments of the opposition made a strong appeal to the voters, and it required the full strength of the powerful Byrd administration to carry these amendments by the slight margin indicated. It is safe to say that but for the vigorous and intelligent leadership of Governor Byrd, the success of whose administration was already apparent to the electorate, the short ballot proposal would have been rejected by a wide margin. It was zeal for Governor Byrd's administration in general rather than for the short ballot proposal in particular that led many voters to support it. Thus, the short ballot did not begin its career in Virginia under any too favorable auspices. Inspired by the small majority of votes in its favor, the opponents of the movement predicted that the general assembly would repeal it in 1932. On the contrary, however, a bill introduced in this year's session to repeal the short ballot died in committee.

PRESENT STRENGTH OF THE OPPOSITION

But events since 1928 indicate a decided weakening, if not a collapse, of the opposition. In the gubernatorial democratic primary of 1929, ex-Senator G. Walter Mapp, who strongly opposed the short ballot, trailed by 75,000 votes Professor John Garland Pollard who favored the short ballot and the entire Byrd program. Again, in the general election for governor, Professor William Moseley Brown, the anti-Smith-Republican coalition candidate, who devoted much time and energy in his speeches to a severe denunciation of the short ballot, went down to defeat before Mr. Pollard by the almost unprecedented majority of 70,000 votes. In the primaries and elections to the general assembly of 1932, the short ballot issue figured in very few contests, and the results indicated an overwhelming majority of both houses opposed to repeal of the short ballot.

OPERATION OF THE SHORT BALLOT

This collapse of the short ballot opposition in Virginia is attributable primarily to the successful operation of the system. First of all, it constitutes an integral part of a reorganization scheme which, in spite of its weakenesses and omissions, has been successful in cutting down the cost of operating the administrative machinery of the state, in bringing about a more efficient conduct of administrative functions, and in making the government more responsible. In the second place, Governor Pollard's appointments have been such as to win favor for the short ballot. His appointments have been of a uniformly high order. A recent newspaper editorial, in commenting on the splendid appointments which the present governor has consistently made, remarked that "Perhaps he has shone most in his choice of men to head the departments." Almost without exceptions his appointments have met with the enthusiastic support of the press and the thoughtful citizens of the state.

THE PROBABLE FUTURE

If the foregoing observations are correct, it is at least highly probable that the short ballot has become a relatively permanent part of the administrative structure of Virginia. It is again emphasized, however, that this is only a guess based upon reasons which seem to be sound. If it is complained that this is not scientific, the answer is that American legislative bodies are not scientific.

OMISSIONS OF THE VIRGINIA PLAN

Although the short ballot as applied in Virginia constitutes a distinct contribution to progressive government, this article would fall short of its purpose if it did not point out two omissions in the plan as adopted for this state.

Perhaps the most obvious omission of the Virginia application of the short ballot principle is to be found in its failure to include the office of attorney general. To the writer's mind there is no justification for the popular election of the attorney general. It was argued by former Governor Byrd and other advocates of the short ballot for Virginia that because the attorney general renders certain legal opinions which have the force and effect of law unless changed by court decision, and because these opinions may, and sometimes do, concern the duties and powers of the governor, he should be elected by the people and not appointed by the governor.

In the light of the fundamental purpose of the short ballot and of the general argument of its Virginia advocates, it is difficult to grasp this position. It was argued that the governor should be given full power and held to a strict accountability for all of his public acts. Now the governor is constitutionally charged with the duty of seeing that the laws of the state are faithfully executed. In the performance of this important duty the attorney general is the governor's most important agent. It is largely through him that the laws must be executed. Yet the governor has no control over this important agent. The actual situation is that the public hold the governor responsible for the execution of the laws of the state while the principal agent through whom he must perform this duty is not responsible to him.

Thus the arrangement regarding the office of attorney general results in an unfortunate division of responsibility which may in the future seriously embarrass the governor as the responsible head of the state government. Furthermore, the qualifications of this office are of such a technical nature as to render an intelligent choice of its incumbent by the electorate highly improbable. The average voter has no notion of the legal and other qualifications necessary for the proper performance of the duties of this office. Thus popular choice of this officer violates the fundamental principle of the short ballot that all technical officers should be appointed.

NO CIVIL SERVICE SYSTEM

It is unfortunate that at a time when far-reaching changes were being effected that no effort should have been made to set up a merit system for the selection of subordinate administrative officials. An efficient merit system would have assured the technical competence of these lower officials and at the same time done much to prevent the possible future abuse of the executive appointing power. It may be successfully argued that thus far no such safeguard has been needed, but a wise application of any principle of government requires that due regard be given the possibilities of the future.

Lessons from English Experience with Garden Cities

LETCHWORTH and Welwyn are true garden cities. Their successes and difficulties are here frankly described for American readers

BY W. LOFTUS HARE

Editor, Garden Cities and Town Planning

AMERICAN readers are already familiar with the arguments advanced in favor of planting "garden cities" on American soil, and of the experience gained by those who have actually made the attempt to do so. It is not likely that the ideal will be abandoned on account of the difficulties to be overcome, or because the realization may not be of the quality anticipated. The idea has come to stay, and those who adhere to it may wish to hear the experience that has fallen to other pioneers in other lands. What, for example, has been the measure of success in England, and are there any lessons to be learned from the other side of the Pond?

It is not easy to answer such queries in definite terms. In England we are in the habit of saying that "there are only two garden cities, at Letchworth and Welwyn," although it may appear to the casual reader of the daily press that garden cities had been built in many places. To attempt to give an account of all such places in any useful detail would be a task too heavy, and would require for its performance a long time and much space for its expression.

It will be best, therefore, to concentrate, at first, on the facts most likely to interest readers of the NATIONAL MUNICIPAL REVIEW in respect to Letchworth and Welwyn Garden Cities, assuming always that the ideal they exhibit is already understood and approved.

The garden city movement in England already has a history which, if it could be told in full, would discover somewhat of a romance, a notoriety, an initial and practical success, an influence beyond its wildest dreams, all qualified by various disappointments and delays caused by external circumstances rather than by inherent demerits of the movement itself. And, be it remembered, this movement belongs to the period in which the great war occurred, and cannot have remained unaffected by that world-shaking event, in the presence of which we are unable to estimate the success or failure of the movement *per se*.

THE IMPORTANCE OF PROPER SITE

Garden cities require land, obviously; and landowners demand money. But even the possession of money by a garden city company is not enough. You cannot plant a garden city on any 5,000 acres, anywhere. The idea of a garden city—with its necessary relation to other towns within its region, or its satellitation to a great city—restricts its choice of site. The number of possible sites in England for new towns settled on vacant land, or built on the nucleus of a few small villages, is not so numerous as some suppose.

Yet, curiously, the choice of the sites for Letchworth and Welwyn was not by any means the main difficulty; in fact, by happy accidents combined with discretion, good fortune and goodwill, we secured land for the two cities without much trouble. But such accidents have the tendency to occur less frequently, and it is not certain that sites for new cities can now be obtained at relatively low prices and at convenient location.

The First Garden City Ltd. acquired sixteen small, separate and contiguous estates, and consolidated them into Letchworth in 1903. The cost of the land was about £40.0.0 per acre, a very reasonable figure. The second garden city company was started in 1919 in entirely new conditions and obtained parts of two estates, which were combined into Welwyn Garden City. The cost of the land was £44.10.0 per acre for 2,378 acres. So far, so good.

Thereafter, most of the "difficulties" were inherent to the enterprises undertaken, except those arising from major world politics, to which I have already referred.

CAPITAL AND LIMITED DIVIDENDS

The first problem facing both companies was to raise sufficient capital to purchase the land and develop the estates. The guiding principle was the restriction of shareholders' dividend to 5 per cent, and the postponement of its payment until sufficient had been earned. It was part of the ethical outlook of the promoters that "garden cities" should not be like other speculative estates, where all the profit goes to the promoters; here profit beyond 5 per cent is to go to add to the amenities of the towns, and so, broadly, to the "community." The community is not a specific number of persons or ratepayers, or the local municipal authority that may be expected to be formed, but the whole body of inhabitants who venture upon the somewhat idealistic and uncertain enterprise. In the case of the older garden city, a great deal of money has already been expended in beautifying the town by means of open spaces, which, with a more niggardly policy, might have gone towards dividend.

The "City"—corresponding, I suppose, to Wall Street—did not at first see in this type of development the kind of investment which is usually sought by financial circles. Most of the initial capital was subscribed by "believers" in the aims of the companies. In a word, these two private enterprise companies had and still have a hard struggle to keep a sound position, though in relatively different degrees.

The second problem, that of planning, presented no difficulty. The best expert advice was obtainable in making town plans for the two estates; the land was in single ownership and complete freedom exercised in the preparation of the layout—roads, houses, factories, public buildings, open spaces, public services, each had their appropriate siting.

THE PROBLEM OF ATTRACTING INDUSTRIES

The fundamental problem was now to present itself: how to get industries established there? How to induce residents to come there to live and, especially, how to overcome the curious conservatism of town workers, well dug in to their old homes, to come out to the new cities? Time, patience and demonstration were required, and were forthcoming. Twenty-five years for Letchworth and ten years for Welwyn have passed; almost superhuman endurance has been displayed and two new towns have actually appeared objectively, and become the talk of the town-planning world.

But more was needed, and was found. The forces of economics—in spite of financial stringency—were at work on our side. One industry after another settled at Letchworth in the spirit of heroic adventure, and found the ground safe under its feet. Courage became infectious and brought 100 factories and workshops to the first garden city. There were a few failures. On a smaller scale the same happened at Welwyn. The experiment was discovered to be sound; the economic, hygienic and social advantages were proved to more and more doubters; garden cities ceased to be a utopian dream and became practical politics. Statesmen blessed us, and the expression "garden city" found its way into Acts of Parliament of 1922 and 1925, and again in the Bill of 1932, as a recognized form of estate development.

Looking in closer detail to the difficulties, I have mentioned—which, of course, have not been entirely surmounted—it may be said that the magnet we set up to draw industries, residents and workers away from the great city was not all powerful. Most of the London industries are deeply embedded in a system in which their present location seems to be important. They have relation to the docks or the railway termini, or to the city or to the detail establishments. The organism has an historical growth behind it that cannot easily be changed; the lines of transport are laid down, the residence of the workers settled—alas, too long and too often in slums—nearly everybody is temperamentally conservative.

The workers feel this too. A grown-up family, consisting of parents and three or four young people, are settled in their jobs, living in one house. For the whole family to be uprooted to go to a so-called paradise is none too attractive. They hesitated, and still do so, quite naturally. For some years "black-coated" clerical and business men lived at Letchworth and journeyed daily to London, and still do so. Even a larger proportion settle at Welwyn. But the tide is turning, and now almost unexpected relief has come to the industries and workshops by the employment of the young people, literally in thousands, from the surrounding small villages. Cycle, car and train pour them in and out daily. The larger proportion of the workers, however, live and work in the towns, this being our ideal.

LACK OF CAPITAL RETARDS RAPID DEVELOPMENT

I now return to the great problem of finance in relation to general development, which inter-penetrates every phase of the work. Being a social-economic experiment, the garden city proper did not and could not attract large capital subscriptions, and this caused a drag on the speed of development in both cases cited. The public services of water, gas, sewage and electricity, together with roads required large expenditure, which could not be remunerative immediately. Housing was done privately and by subsidiary public utility societies at first, and later by the local authorities in whose areas the estates were found. No land was to be sold outright, being contrary to the basic principles of the ventures.

Consequently, loans were negotiated with a government department, and in the case of Welwyn to very large amounts. The repayment of capital and interest annually out of still slender income from early development became an almost intolerable burden, and led, in the case of Welwyn, to a reconstruction of capital account. The income was sufficient to pay a small dividend, but the expense of the loan transaction more than swallowed it up.

Letchworth weathered the storm of the war period and the financial aftermath without disaster, and has for several years paid deferred dividend to its patient and faithful shareholders.

The above paragraphs, devoid of particulars, are perhaps sufficient to indicate the fundamental problem which private companies must meet in the attempt to demonstrate the meaning of the garden city idea, and it would not be going too far to say that the major part of the burden was thrown upon the companies by external circumstances, upon which they had no control and from which, like many another enterprise in the same period, they could not escape.

SEVERAL MINOR PROBLEMS

Several minor problems should be mentioned. Garden cities must have retail shops, which Letchworth permitted in the ordinary English manner, after planning the shopping areas in suitable locations. Shopkeepers came, and some of them went. At Welwyn a departmental store was established to the exclusion of private retailers; lately, the policy has been changed and shops are being permitted.

Another curious issue was raised out of the idealistic formulæ of Ebenezer Howard, the initiator of the garden city idea. He thought much of the "community," and the final benediction he hoped to confer upon it when garden cities were completed. When, however, the English local government system exercised its functions in these areas, a new and somewhat unexpected situation presented itself. The urban district councils now created round Letchworth and Welwyn are wont to consider themselves the "community"—in the sense thought of by Howard and the companies. They work side by side with the companies, who supply the public services and own most of the land; it is a kind of "dyarchy," as the Indians would call it. A strange situation will occur in future years if the councils stand forth as the rightful inheritors of the fully developed garden cities which the companies have created.

LOOK TO THE GOVERNMENT IN THE FUTURE

Finally, how were the difficulties surmounted? I make no secret of the fact that, although the garden city idea is as vital as ever, the methods hitherto adopted are not likely to be repeated. We now look to great municipal corporations, and even to the government, to take up the matter. Regional planning has covered the greater part of our small island, and the joint committees have noted the possible sites for new towns and suburbs.

In this regard we hail the enterprise of Manchester in acquiring 3,453 acres in Cheshire, over its own border, where something like a "garden city" will be built. It is the first of a new style and not likely to be the last. Industries, residences, open spaces, arterial roads and parkways, with much land for agriculture. The estate is known as Wythenshawe.

I ought to mention that before the two garden cities were launched, several large industrial companies laid out estates to include their factories and houses for their workers. This began towards the end of the nineteenth century, and the most remarkable examples of development were established at Port Sunlight (Lever Brothers Soap Manufactory) and Bournville (Cadbury Brothers Cocoa Works). These two enterprises were laid out on garden city lines, and being entirely under the control of their directorate, have met with no particular difficulties.

From the American point of view perhaps, what we call garden suburbs should be included in this brief sketch. Here the best known is situated at Golders Green, in the North of London, and is known as Hampstead Garden Suburb, founded by Mrs. Henrietta Barnett. A special act of Parliament was passed, and the estate was laid out by Messrs. Barry Parker and Raymond Unwin, who had already been employed at Letchworth. Here the land belonged to a trust, and the housing development was done by a number of housing companies. There are, however, no factories, although there are a good many shops.

What Local Officials Think of State Financial Control

GIVEN adequate power and relief from embarrassing mandates, our cities can take care of themselves

BY MORTON L. WALLERSTEIN *League of Virginia Municipalities*

THE phrase "excessive cost of local government" has become a popular theme for our state and national figures. It transcends political parties, finding equally popularity as a battle cry, and possibly as an alibi, both by President Hoover and by Governor Roosevelt. Pathetically enough, neither the users of this phrase nor their audience have ever properly analyzed it. The municipal officials have been so engaged in endeavoring to make both ends meet that they have done little in removing this smoke screen. I am, of course, not here either to defend or advocate large public expenditures whether they be national, state or local, but it must be apparent that the phrase "excessive cost of local government" demands proper analysis. The implication from the word "excessive" is that the localities of this country are either spending their money wastefully or in services not necessary to the public weal. With regard to the former of these propositions, it would appear that the most that has been said for wastefulness is that it appears to be the result of a cumbersome, all too small unit of government, satisfactory in the gay nineties, but utterly unequipped for the manifold business activities of our localities of the present day. With regard to the latter, we have as yet heard no state or national figure suggest any activity whatsoever which our cities should relinquish. In either event, the fault would seem to lie with the state—certainly in a large measure.

With these preliminaries out of the way, let us consider the viewpoint of the local official toward expenditure control. A local official quite naturally is much concerned with rising local expenditures. He deprecates it as much as anyone. Generally speaking, his feeling is that local government being closer to the people, being a smaller unit susceptible to greater vigilance, will be more economical and more efficient without interference by some outside unit of the state—in many cases far removed from the field of activity and unaware of the real problem which faces the locality.

I believe that those who are close to government will agree that the Virginia cities and towns are considered well governed. Such a thing as corruption in local government is almost unknown in our state. I believe that the cities and towns of Virginia are in some measure considered model local governments. This is a result as I see it of three conditions. The first is that during the past quarter of a century, with only one exception, and that was a constitutional amendment prohibiting localities from assessing specially for

ED. NOTE: Part of a paper read before the Twenty-Fourth Annual Conference on Taxation under the auspices of the National Tax Association, Atlanta.

street improvements, there was not one single act passed by the general assembly of Virginia taking away powers of government from the localities. In the second place, our cities, but not the towns, are separate autonomous units of government totally free from any interference by the county in which they are located; even our towns are becoming more autonomous. In the third place, our legislature has been most generous in leaving our cities and towns free in a large measure to adopt that form of government which is best suited to the needs of the particular locality. In other words, the progress Virginia has made in its local government is due to the fact that the state has left the localities alone to work out their own affairs. If the state continues to leave them alone they will continue to improve their government themselves.

WHAT IS POSSIBLE WITHOUT STATE DICTATORSHIP

What can be done in Virginia, or in any state that will adopt the Virginia philosophy, to solve the problem of mounting municipal expenditures without suffering state expenditure control? The solution involves the active coöperation of three classes, the local public, the state, and the city governing bodies themselves.

As to the public, the local official believes that the public needs to be educated to a fact to which they seem to be entirely oblivious, that is, that if they want to dance they must pay the piper. The public must also be taught that because the men who are conducting the affairs of the municipality give thought and time to the various problems both as to income and outgo, the public should allow them freedom to solve their knotty problems. A typical example, as it seems to me, is economy in street traffic control where, as we all know, merchants endeavor to regulate traffic with about as good results as the council would have if it endeavored to run the business of the interfering merchant. Furthermore, our local officials are exceedingly embarrassed from time to time by organized minorities. For example, street associations are organized with the sole purpose of having a certain street improved regardless of necessity or expense. Members of this association may represent a politically active, but exceedingly small minority. Nevertheless, the great majority opinion either through lack of courage or lack of interest does not assert itself. Until the majorities assert themselves, your local official is of course forced into a position where such a minority must be recognized if he desires reëlection.

As to the part which the state should play, the local official feels that there are many activities constantly imposed upon the locality by the state without corresponding increased freedom of taxation. The view has been well expressed by Professor William Anderson in an article which recently appeared in *Public Management* in the course of which he made the following statement:

> If times were calmer, Local Government might make many pleas concerning mitigating circumstances, or incitation to the deed, or the complicity of others. He might ask National Government why he continued to urge localities to provide unemployment relief, better health administration, better roads and schools, better housing, airports, and a hundred other things. He might also ask State Government why he continued to heap more burdens upon him, and yet at the same time steadily took from him for State Government's exclusive use one field of taxation after another.

It is but natural with such a situation existing that local expenditures have mounted. What the cities and towns need are more objects of taxation to pay for their increasing activities, which probably have increased in greater proportion than the activiities of either the state or the national governments. Generally speaking, the activities promote the public welfare. Frequently, they are created by mandatory state legislation. In the next place, not so much in Virginia as in other states, it is essential that greater autonomy and a wider discretion be given to our local units to improve through local action the form of government under which they operate. Moreover, in Virginia as far as the towns are concerned and in many other states as to both cities and towns, much of the high expenditure is due to the money paid to the county. It is readily admitted not only by people generally, but by the county officials themselves that the general form of county government, as well as the small size of the unit, existing throughout the United States is utterly inadequate for present day needs.

And now as to the city and town officials themselves. The average local official is as desirous as the taxpaying citizen to put his own house in order. Many of us know that our cities are seriously handicapped in some instances with members of their personnel who were well suited to their tasks a decade ago but are not so fit today. In some instances the local executive will tell you that the only way he can improve the police force, which he inherited from a more political era, is to discharge the entire personnel, and begin again. He will also tell you, what you know to be a fact, that public sentiment simply will not stand for this.

Our local officials are in dire need of more available scientific, practical advice. In many instances the city forces themselves can furnish this. In others, on account of the small size of the city or the intricacy of the problem, this must be furnished by the state municipal league. It would, therefore, appear that with the enlarged and continued growth of these organizations comparative figures and scientific methods can and will be furnished our localities to a greater extent than ever before realized.

Given a fair chance with the present growth of interest in government and without legislative interference, our cities and towns should be able to work out their problems in a better fashion than would be possible through state interferences at a distance.

A WARNING

And now may I sound a word of warning? I have found, that our cities and towns, in an effort to keep down these expenditures, are frequently in the position, in order to try to make a good financial showing, of endeavoring to spend less money by purchasing inferior materials and services when any good business concern would spend more money on better material and services. In other words, our cities are sometimes penny wise and pound foolish. I believe that this is frequently attributable to those who continually harp on the so-called "excessive cost of local government."

In conclusion please do not misunderstand me. Our local officials welcome the constitutional bond limit, the state laws requiring local budgets and local publicity with regard to budgets and bond issues. They welcome local public interest, when it does not seek to impose through political pressure on the mature judgment of our councils. Give your cities broader powers, stop legislative interference whether as to expenditure control or otherwise, make your municipalities autonomous as are those in Virginia. Then the cities of the nation, without state expenditure control, will be as well governed as are those of our state—so believes an immodest Virginian.

Local Government In the Irish Free State

THE era of appointed commissioners has given way to elective councils with city managers

BY LAURENCE P. BYRNE *Dublin, Ireland*

AFTER the constitution of the First Dail Eirean, towards the end of 1918, local authorities in the area which later became the Irish Free State refused to recognize the authority of the old local government board and transferred allegiance to the ministry of local government set up by the authority of the Dail. Because of the conditions under which the new system operated, there was a lack of supervision and control which lead to considerable increases in the rates and great discontent among ratepayers in all parts of the country. In places no rates at all were paid, and in many counties the rates went hopelessly into arrears. Councils ceased to meet with any degree of regularity, and affairs were on the verge of chaos. The outbreak of the Civil War increased the difficulties of administration, and as it was neither possible nor desirable to hold elections the government was forced to appoint paid commissioners in several counties to deal with an extraordinary condition. So it was that conditions dictated what was afterwards to become the settled policy of the Free State government in relation to local government, and almost by accident a new orientation was given to the system.

As soon as political and social conditions became favorable the first local government measure of the Free State government was introduced and passed quickly into law. By the terms of the Local Government (Temporary Provisions) Act of 1923, radical changes were effected in the system as it stood, and whole sections were abolished altogether. The act reorganized the whole system of poor relief, making the county the unit of administration, and established one central county home and one county hospital for the succor of the poor in each county.

COMMISSIONER GOVERNMENT

The Local Government (Temporary Provisions) Act of 1923, gave the minister for local government and public health power to dissolve, after the necessary inquiry, any local authority which did not properly discharge its functions, or which proved recalcitrant to any lawful order, and to appoint paid commissioners to carry on the work. This power was widely used, the two most notable instances being in the county boroughs of Dublin and Cork, in each of which the corporation was dissolved and the business of the city transacted for several years by commissioners—three in Dublin and one in Cork. While in both these cities the results demonstrated that a few disinterested persons can manage the affairs of a large city with ease and competence, and manage its affairs also with great despatch, it was always plain that there must sooner or later be a return to control by an elected council. Control by appointed commissioners was not, in fact, local government at all; it was merely the management upon business lines of the affairs of a particular area. The continuance indefinitely of such a system must inevitably have killed all possibility of local interest and initiative, and must ultimately have made 'good citizenship' merely an empty phrase.

While it was quite certain that there must be a return to elected councils, it was no less plain that there would be no return to the old system in all its points. And this was made manifest when the time came three years ago for the return of the elected council to Cork; the commissioner was replaced by the city manager, and the control by the elected council was very much increased.

In 1925 the Local Government Act made radical changes in the system as it had existed since 1899. The rural district councils were abolished and their powers and duties transferred to the county councils. The entire system of public health administration was reformed, and one rural sanitary authority was established in each county under the title of the county board of health. This act continued and extended the powers of the minister for dissolving recalcitrant local authorities, and gave to any council the right to transfer voluntarily its powers and duties to a manager or a commissioner. By these clauses the government merely acceded to the widespread demands to remove such local authorities as had shown by incompetence or neglect their inability to discharge the public duties for which they were elected, and the powers have been used in a large number of cases from Donegal to Dublin. The county council was also constituted the authority for the construction and maintenance of the roads, except the roads in urban areas, but by arrangement urban roads may be also taken under the jurisdiction of county councils.

In all this legislation there is a marked tendency towards greater centralization of local administration. In each county the business is concentrated in the county council, and the tendency is that the county council shall be brought into much closer affiliation with the central government in Dublin.

HOW APPOINTMENTS ARE MADE

Probably the most widely contested change in the administration of local government made by the Free State government is in the manner in which the principal officials are appointed. In the old days each local authority could appoint pretty well anyone it pleased, but it was said that this power had been so greatly abused that it should be taken away, and that the appointments of the leading officials should be placed in the hands of a disinterested body similar to the civil service commissioners. Accordingly, by the Local Authorities (Officers and Employees) Act of 1926, there was established a local appointments commission, charged with the duty of selecting the persons to be appointed to the most important positions in local government service, and to make provision for the appointment of suitable persons to such positions. The act applies to the chief executive offices under the local authorities; to offices the qualifications for which are either wholly or partly professional or technical, and such other offices as may be declared to be offices to which the act applies.

The commissioners are empowered to prescribe generally, with the consent of the minister, the qualifications for all offices to which the act applies, including qualifications as to age, sex, character, education, training and experience. Wherever possible the selections are to be made by competitive examination, but the commissioners may dispense with the competitive examination, with the consent of the minister, where it is believed that the office cannot be satisfactorily filled by such methods. The act also gives to local authorities, or to the minister for local government, powers to suspend, pending inquiry, any local official who may be thought to be unsatisfactory or who misconducts himself in the discharge of his official duties. In many ways this is the most radical piece of local government legislation yet passed in the Free State, as it is an absolute abandonment of the previous procedure and a reversal of the procedure adopted in Great Britain. Probably one of the outstanding features of the act is that character and experience will be given as prominent place in making appointments as ability to take a high place in a competitive examination; but this is just the point upon which much of the criticism directed against the system is founded.

That the act is not very popular with local authorities was proven by the report of the Select Committee set up in 1928 to inquire into the working of the act. The committee sought the opinions of 249 local bodies in the Free State but actually secured those of only 117. Of the 117 making replies no less than 90 were more or less opposed to the act.

COMBINED PURCHASING

By the terms of the Local Authorities (Combined Purchasing) Act of 1925, provision was made for the purchase of commodities needed by local authorities from contractors appointed officially. The idea underlying this act was that by large-scale purchasing and contracting the necessary requirements could be secured at the lowest possible price. This act has not been very successful, as under certain circumstances local authorities may make their own arrangements, and the consequence is that the scheme has never been the success that its sponsors hoped it would be. This act is in accord with the best practice in local authorities in other countries, and it is notable that in the United States much has been done on similar lines by centralized purchasing agencies.

HOUSING

Under various housing acts much has been done to enable local authorities to improve the housing conditions in their respective areas. Under the Housing Act of 1925 grants were offered to individuals and public utility societies erecting houses according to its conditions, and grants were also offered for the reconstruction of houses. Grants were also made available for the erection of suitable self-contained flats; and the houses may be occupied by the owner, or let or sold to others. To qualify for the grant, houses had to be entirely new and contain no portion of any existing building beyond a party wall. An important feature of this act was that for 19 years following the erection of a house partial remission of rates might be granted, and the Housing Act of 1926 extended the period under which a grant might be paid. The Housing Act of 1931 enables local authorities to go much farther in housing schemes, and by its terms the housing problem in the Free State may be solved within the coming decade.

FROM COMMISSIONERS TO MANAGERS

The acceptance of the system of city managers has been one of the outstanding aspects of Free State local government. The city manager is not, of course, a discovery of the Irish Free State government; it has been in vogue in one form or another in many parts of Europe and the United States for very long periods. What may be confidently claimed for the city manager in the Free State is that he did not evolve from any acceptance of American or continental practice; but that he is the direct result of the experience of the commissioner system in Dublin and Cork.

Although ratepayers generally were

more than satisfied with the results of the administration of the two cities by commissioners there was always the certainty that there must be a return to democratic methods of local government. It was equally certain that there could be no return to the old system under which so much time, money, and energy were wasted. Between the two conflicting opinions, the Free State government had to discover something that would appeal equally to both and be satisfactory to all concerned. The method chosen was the election of a municipal council which would have only restricted powers, and the placing of the administration in the hands of a permanent city manager.

The beginning was made in Cork City in 1929. There the commissioner was retained as city manager with almost the same powers he had wielded in his capacity as city commissioner. The lord mayor of Cork in 1930, in expressing dissatisfaction with the conditions under the city council functioned said, "All that the elected council can do is to present the freedom of the city to distinguished strangers." But that the city council can do much more than that was demonstrated soon afterwards when it refused to consider the estimates for the year which had been prepared and presented by the city manager. The estimates were later accepted and passed, but it proved that the power of the elected council is ultimately in its control of finance.

GREATER DUBLIN

When the time came to restore the elective system to the Dublin corporation, the government had before it the experience of the restoration in Cork. Since 1924 the admininstration of Dublin City had been in the hands of three commissioners, who had done much to make the system acceptable to ratepayers and the citizens generally. But in the opinion of the government the time had come to revert to elected councils and the commissioner had to go. The old Dublin corporation consisted of 80 members, elected on a register of all persons of 21 years old and upwards. The new municipal council consists of the lord mayor, six aldermen and twenty-nine councillors, of which thirty are directly elected on the municipal register and five from the special register of the business community. The office of town clerk was merged in that of the city manager, and the occupant of that office was appointed to be the first city manager and town clerk of "Greater Dublin." The area of the city was simultaneously enlarged by the absorption of the urban districts of Rathmines and Rathgar, Pembroke, and portions of the rural areas in the county.

In the past the powers of the council were supreme; in the future they will be strictly defined and controlled. The position of city manager is somewhat akin to that of a managing director of a company, with the council in the position of shareholders only.

The coastal boroughs were at the same time amalgamated into a single borough under the title of "The Borough of Dun Laoghaire," under the control of a city manager and an elected council of fifteen members. By the new legislation almost the entire metropolitan area of Dublin is now under the control of these two authorities, with two city managers directing the administration of the affairs of over 400,000 people.

What Municipal Home Rule Means Today

VIII. Nebraska's Three Home Rule Charters

COURTS have been generous in grants of power to home rule cities. Further spread of home rule charters awaits greater urban consciousness

BY JOHN P. SENNING *University of Nebraska*

Even though the voters of the state ratified, in 1912, a constitutional amendment authorizing cities with a population of five thousand or more to adopt home rule charters, only Lincoln (1917), Omaha (1922), and Grand Island (1928) have availed themselves, after considerable delay, of the right. None of the remaining cities of sufficient population has even so much as considered the desirability of home rule.

The manner in which cities may adopt home rule charters and subsequently amend them is clearly set forth in the constitutional provision. (Art. XI, Sec. 2-4). The procedure is essentially as follows: a "convention of fifteen freeholders" shall frame a charter which must be "consistent with and subject to the constitution and laws of the state," and which shall be considered ratified when approved by "a majority of qualified electors" of the city "voting thereon." Should ratification fail, the same process as outlined for calling a charter convention may be repeated at stated intervals as long as there is ultimate hope of success. Once adopted a charter may subsequently be amended (a) by a charter convention called for the specific purpose either by the city council or upon petition of five per cent of the qualified voters, (b) by initiative petition submitted to the council, and (c) by a proposal originating with the council.

LITTLE CHANGE IN H. R. CHARTERS

The first home rule charter submitted to the voters of Lincoln in 1916 was overwhelmingly defeated and in Omaha two successive efforts failed. The first charter convention in Omaha drafted a document which the voters viewed with suspicion because they could not recognize therein any resemblance to the old charter and, therefore, defeated it. The voters of Lincoln rejected their first charter for the same reason. But public sentiment for home rule in both Lincoln and Omaha proved sufficiently srtong to warrant another attempt. A second convention met in each city as soon as a new election could be held. This time each city ratified its home rule charter. But "because of technicalities in the procedure" the ratification election in Omaha was nullified. Thus frustrated by two successive failures, Omaha carried its case to the state constitutional convention of 1920 and secured from that body an amendment to the home rule provision which permitted the electors of that city to determine by a majority vote the adoption of their legislative charter as a home rule charter. Under this provision Omaha became a home rule city on July 8, 1922.

The first charter conventions which met in Omaha and Lincoln attempted constructive charter drafting, but the defeat of their work at the hands of the voters had a sobering effect upon their successors, as is well illustrated by the following ironical introduction to the Lincoln charter: "All that the Charter Convention has attempted to do in drafting the City Charter proposed herewith, is to submit to the voters the existing City Charter without any substantial departure from its provisions. . . . It has seemed desirable that no change be proposed at this time that could be used legitimately to confuse the issue." The Grand Island charter followed the precedent of Lincoln. Commenting on the completed work of the Grand Island charter convention, a local editor deplored the myopic vision of its delegates and protested their lack of courage. The editor, who had from the outset urged genuine modernization of the charter, concluded despondently, "the new charter will result only in giving the taxpayer of Grand Island a free hand in managing his own city affairs." Even so, independence was preferable to legislative domination from the state capital.

THE SCOPE OF HOME RULE POWER

The scope of power permissible under a home rule charter and the extent to which such charters must be consistent with and subject to the constitution and laws of the state have become questions for judicial interpretation. The recent adoption of home rule in Nebraska and the policy of caution pursued by the three cities, long accustomed to charters of enumerated powers, have resulted in but few cases for determination by the courts. Nevertheless, these cases clarify issues which are of fundamental importance to the cities which have freed themselves from legislative domination. The initial case (*Schroeder* v. *Zehrung*, 108 Neb. 375) decided a question which, though elementary, assumes importance to cities still in their trial stage under home rule charters. Does a home rule charter free a city from the binding force of the general law when the soul and substance of its charter, with minor exceptions, have been borrowed from it? After answering that question in the affirmative the court further observed, "If a city, after having adopted a home rule charter, was still to be subject to all of the former provisions of the former legislative charters, there could be no object or purpose in adopting a home rule charter. . . ." Otherwise the decision did not go beyond asserting that a "city may enact and put into its charter any provisions for its government that it deems proper, so long as they do not run contrary to the constitution or any general statute."

A more significant question came up the same year in *Consumers Coal Co.* v. *City of Lincoln* (109 Neb. 57). Therein the supreme court was called upon to decide whether, in the absence of specific mention in the charter provision relating to public utilities, Lincoln could, by means of an ordinance, engage in the business of selling fuel to the public. The question was answered in the negative. The ordinance was based on a provision, borrowed from the legislative charter, authorizing the city to furnish the public with heat by means of gas and electricity, but specified no other means. In the opinion of the court other means of supplying heat were excluded. Applying the doctrine of strict construction to the language of the charter the court maintained that the right to establish a public fuel yard could not be implied from the word "heat" but indicated that what could not be done by ordinance could be accomplished by an amendment to the charter. Had Lincoln adopted the charter drafted by the first convention, the instant difficulty would have been avoided. It was within "The competency of the electorate of the city to adopt a charter in any form it may deem proper within the limits specified in the constitution" which might be in the "form of a *grant* or a *limitation*, of powers." The Lincoln charter clearly was of the former type, a grant as distinguished from a limitation of power. Hence, "it is to be construed according to the same rules as a legislative act containing the same provisions." The same year the court rendered this opinion, the electors of Lincoln ratified an amendment under which the city operates a coal yard. Several years later, as will be observed in another connection, the court completely ignored the doctrine laid down in the above case.

The fact that home rule charters must be subservient to the constitution and general laws acquires meaning only in so far as the courts define the border line between matters which are of municipal concern and those of state concern. While such considerations as public policy, local needs and expediency must invariably claim attention in every decision, yet, in the absence of a sure test, the court must consider each case separately as it arises and draw the line of demarcation.

DEGREE OF INDEPENDENCE OF STATE LEGISLATION

The purpose of the amendment, as the court explained in *Consumers Coal Co.* v. *City of Lincoln,* "is to render cities independent of state legislation as to all subjects which are of strictly municipal concern" and consequently *"as to such matters general laws applicable* to cities yield to the charter." Five years passed before the supreme court had an opportunity to apply this principle. In *Salsburg* v. *Lincoln* (117 Neb. 465), and in *City of Lincoln* v. *State Auditor* (117 Neb. 301), both decided in 1928, the supreme court held that street improvements and the establishment of airports were matters of "strictly municipal concern." The latter case deserves special mention because it seems to modify, at least by implication, the strict construction idea elaborated in *Consumers Coal Co.* v. *City of Lincoln.* The electors of Lincoln had approved a bond issue, by majority vote, in 1928, for a municipal airport, following the procedure prescribed by the charter in voting on public utility bonds, although a general statute of 1921, which enabled cities of all classes to issue airport bonds, sixty per cent of the vote cast was necessary for a bond issue. The auditor's office challenged the legality of the Lincoln bonds and the right under the home rule charter to set up a municipal airport. Adhering to the principle previously announced the court declared the "general statute requiring 60 per cent of the electors to carry a proposition for the purpose of acquiring and equipping a municipal aviation field. . . . does not prevail over conflicting provisions in the home rule charter. In authorizing such bonds upon a majority vote the home rule charter deals with *municipal affairs* alone and under the authorities cited makes the statute requiring more than a majority vote inapplicable to the ctiy of Lincoln." This principle insures to home rule cities the freedom from legislative interference as was the intent of the constitution. The principle first announced as a general observation was here translated into a doctrine of major importance.

But while one question was put to rest, another of far reaching consequences was raised in the same opinion, wherein the court declared that, although the term "aviation field" did not occur among the enumerated powers, nevertheless, "an equipped aviation field is both a 'public service property' and a 'public utility' within the meaning of the home rule charter. . . ." Aside from the amendment added in 1922 to the public utilities section of the charter in order to permit merchandizing fuel, the charter provisions in question have remained unchanged. Consequently as future cases arise, it will be a matter of great moment to home rule cities whether the court follows the doctrine of liberal or strict construction. Intimations of a more sympathetic understanding than that revealed in the Consumers Coal Co. opinion of the purpose of home rule were given in 1927 (*Sandell* v. *Omaha*, 115 Neb. 861), when the court declared "The trend of judicial pronouncement appears to sanction an enlargement of the powers of the municipality for self-government, within constitutional limits, rather than a curtailment of such powers. And this on the broad and reasonable assumption that the city, in the formation of its charter, knows better than the legislature how to anticipate and to enact needful city ordinances."

H. R. AND LEGISLATION IN REALM OF STATE AFFAIRS

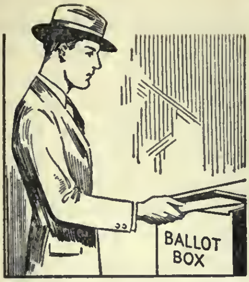
Subsequent gains have been recorded by steadfast adherence to the doctrine that a home rule charter controls exclusively in the matter of municipal affairs. On the other hand, what of laws pertaining to state affairs? Does a home rule charter exclude local operation of such measures as well? What are state affairs as distinguished from municipal affairs? The questions were answered in *Carlberg* v. *Metcalf* (120 Neb. 481). A general statute of 1929 authorized cities of the metropolitan class (Omaha) to maintain an urban university which the electors of the city approved and the council by ordinance established. The statute was immediately assailed on the ground that it contravened the home rule provision of the constitution. This led to a reëxamination of the nature and purpose of home rule, and to judicial determination as to whether education was a state or municipal function. On the one hand, the constitution limits and restricts the power to legislate in local affairs; on the other, it imposes a solemn duty on the legislature to provide a system of free schools as well as to prescribe a program of education. Therefore, education is not only "preeminently a state affair" but "in such matters the state is" also "a unit and the legislature the source of power," and "whether the authority over schools. . . . shall be exercised by a state board of education. . . . or be distributed to city organizations throughout the state" is within the discretion of the legislature. As to the constitutionality of the measure, the court said: "The constitutional provision by which certain cities may adopt home rule charters does not render invalid legislation which provides that such a city may establish and maintain a municipal university. In accepting the privilege conferred upon it by such legislation the city, in providing said educational institution, acts as a political subdivision of the state in a matter of *state concern*. It acts very much in the same manner as it does in the maintenance of a police department and other matters unquestionably of state concern."

H. R. CHARTER MAY LIMIT POWER

By virtue of the blanket grant of constitutional home rule, and the singular silence of the constitution as to cities generally, save that of incorporation by general laws, a home rule charter may take the form of either a grant or a limitation of power. The choice rests with the community. Obviously, home rule does not empower any community to set aside a superior statute applying to the state at large, but in its own sphere a city may conduct its local affairs without hindrance from the state. The task of defining the constitutional grant and the scope of power of home rule charters devolves upon the court. While the courts have enforced the strictures imposed upon a city by a home rule charter of enumerated powers, they have done so in accordance with the Jeffersonian precept that government derives its just powers from the consent of the governed. The efficacy of home rule, in this enlarged sense, is already well demonstrated. Whenever a public improvement seems desirable and the charter fails to provide the power for the undertaking, resort to the amending power invariably supplies the sanction necessary. More than two-thirds of the amendments submitted in Lincoln and Omaha have been ratified by the voters of the respective cities. Requests for greater freedom of action and larger discretion have been granted to the governing authorities for setting up districts for improving streets, zoning, ornamental lighting, and beautifying the cities.

Whether the progress made would have been as great, and whether the same generous power would have been conferred upon the city council under a legislative charter may be questioned, although grants of power, when requested by Omaha and Lincoln, have seldom been refused. But every demand for a grant involved log-rolling, compromise and delay, because the local problems, of Omaha particularly, presented complications unknown to the large group of legislators from the less populous regions of the state. Whether, as the demand of state-wide control becomes greater, the state affairs doctrine will come to encroach upon the powers of home rule communities is problematical. The interest of the whole state undoubtedly will take precedence over that of a local unit. Neither term, municipal affairs or state affairs, is a fixed quantity. Local experimentation by trial and error may not always rise to heights of sound policy but as long as the responsibility for entering upon these experiments rests upon the community, more consistent progress may be possible than when permission must be exacted from a political body far removed from those whose interests are at stake.

That only three cities, out of a possible total of seventeen, have taken advantage of home rule seems deplorable. As a matter of fact, Omaha, Lincoln and Grand Island have a trifle over one-third of the total urban population of the state. In a comparatively new and sparsely populated state there is as yet little home rule awareness. Only in so far as cities have grown in population and have developed a sense of solidarity of interest, have they turned to home rule. The progress of home rule in Nebraska strikingly illustrates this fact. The future success of home rule in Nebraska seems to depend upon the growth of an urban consciousness.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

P. R. Saves Germany from Extremist Control.—Once again Germany's proportional method of election, which guarantees full representation to the smaller moderate parties, has prevented an ultra-conservative landslide. Press dispatches make it clear that Adolf Hitler's National Socialist party polled less than 38 per cent of the votes in the Reichstag elections of July 31 and that all the parties of the Right together (the National Socialist, Nationalist, People's, and Economic parties) fell considerably short of a popular majority. Yet so far did the National Socialist vote outdistance that of any other one party and so generally was it distributed over the country that a plurality election method could hardly have failed to give the party a large working majority in the Reichstag, just as the plurality method gave the Conservative party in England a majority on the basis of a 40 per cent vote in two recent elections of the House of Commons. It is interesting to speculate what might have happened to Germany and to the world if the German people had been so misrepresented. As it is, the "Nazis" will have the large influence to which their numbers entitle them, but will not be able to force any parliamentary action which cannot command the concurrence of some more moderate group.

On at least one previous occasion the life of democracy in Germany has been saved by the full representation of moderate opinion. In fact there is noticeable in German foreign and domestic affairs, ever since the establishment of proportional representation at the close of the war, a continuity of policy on moderate lines which contrasts strikingly with the shifts and landslides of countries like Britain and France which still give all the representation in each district to the largest single party.

One of the most usual charges against P. R., that it tends to multiply parties, was amusingly belied by this election as it has been on many occasions before. In the last Reichstag[1] there were eleven parties with more than ten members each. In the new one there will be only six. Three parties of long standing, the People's, the State (the old Democratic), and the Economic, almost disappeared altogether. Proportional representation reflects accurately any new surge of opinion, but other things being equal voters naturally gravitate to the larger and more powerful groups.

Press reports do not agree exactly on the outcome, but the figures below appear to be substantially correct. With minor disqualifications applying to the smallest parties, the German election law gives each party one seat in the Reichstag for every 60,000 votes it polls. The approximate vote of each party can therefore be ascertained by multiplying its number of members by 60,000.

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[1] Brief accounts of previous Reichstag elections, bringing out the significance of P. R., will be found in the October, 1930 and earlier issues of the *Proportional Representation Review*. The former editors of the P. R. *Review* wish to take this occasion to acknowledge their error in taking issue with James K. Pollock, Jr., in the article on Germany published in January, 1929. Professor Pollock has made it clear that he was actually in agreement with the attitude of the *Review* and that the apparent disagreement was due to a misinterpretation of his published remarks.

Parties	New Reichstag	Outgoing Reichstag
Right	(276)	(199)
National Socialist	230	107
Nationalist	37	41
People's	7	28
Economic	2	23
Center	(109)	(158)
Center (Catholic)	76	69
Bavarian People's	21	18
Christian Socialist	4	14
State	2	22
Agricultural groups	6	26
Others	—	9
Left	(222)	(220)
Socialist	133	143
Communist	89	77
Total	607	577

About 85 per cent of all those qualified to vote participated.

*

Spain Too Turns To P. R.—The draft of a new electoral law for the Spanish Republic introduced by the government in March, 1932, provides a complete scheme of proportional representation, including parliamentary elections. The system prescribed is a party list system of P. R. closely resembling the one used for elections of the German Reichstag.

The proportional principle was also recognized in the new Spanish constitution, decreed by the constituent assembly on December 9, 1931. The constitution creates a permanent deputation of not more than twenty-one members to act for the single-chamber parliament when it is not in session (1) in passing on cases of suspension of constitutional guarantees by the government, (2) in approving or disapproving presidential emergency decrees (a two-thirds vote being required for approval), (3) in cases of arrest or legal action against deputies, and (4) in any other matters referred to it by parliament. The permanent deputation must "represent the different political elements in proportion to their numerical strength." This provision is the closest approach so far to an adoption of an important provision of the *Model State Constitution* of the National Municipal League, which was probably unknown to the framers of the Spanish constitution. The model constitution, which also provides for a single-chamber legislature elected by P. R., sets up a sort of permanent steering committee called a legislative council, the council to be chosen by the legislature from its own number by proportional representation.

The adoption of P. R. by Spain, following its re-adoption by Greece in May of this year, will leave France, Italy, Jugo-Slavia, Roumania, Turkey, Albania, and Soviet Russia as the only important European countries which do not elect at least a part of their parliaments on a proportional basis. Among the countries which elect their entire parliaments by P. R. are the Irish Free State, Germany, Austria, Czecho-Slovakia, Switzerland, Belgium (where it has been in force for 32 years), the Netherlands, Denmark, Norway, Sweden, Finland, Esthonia, Latvia, and Lithuania.

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P. R. Considered for the League of Nations.—We learn from the report of the British Proportional Representation Society for the year May, 1931 to April, 1932 that P. R. is again under consideration for the elections of the non-permanent members of the League of Nations Council. For some years these elections have caused dissatisfaction because, under the present plurality block vote, a slate is regularly formed in advance and put through entire. It has been charged that these slates leave something to be desired in representative character.

In 1926 the Norwegian government proposed that the members of the assembly, in electing their representatives on the council, should use the Hare system of proportional representation (the form of P. R. that is used in Cincinnati and elsewhere in this country and in all elections in the Irish Free State). The proposal was referred to the sixth committee of the assembly, which did not think the time opportune for a change because a new scheme of election had only recently been adopted. It recommended in its report, approved by the assembly in 1927, "that the documentation which has been collected on the subject should be reserved for future study," and gave its opinion that if a change in the method of elections should in the future appear desirable "the study which has taken place of the system of the single transferable vote [Hare system] would prove to have been of great value."

"In September, 1931, (quoting from the

British P. R. Society's report) Lord Cecil again voiced the dissatisfaction attending elections to the Council, and on his proposal the Council of the League, in January, 1932, approved the appointment of a special committee consisting of the representatives of fifteen nations to study the existing system of elections to the Council, and to report 'on any reforms which may appear desirable.'"

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P. R. a Success in Malta.—Valuable testimony to the good working of [the Hare system of] P. R. in Malta is contained in the report of the Malta Royal Commission, 1931 (Cmd. 3993, 1932). The commission was appointed to enquire into the constitutional difficulties that had arisen, and P. R. was not one of the main issues before it. Nevertheless, evidence on the electoral system was given by leading men of the different political parties, and that evidence was without exception favorable to the continued use of the system. Lord Strickland, the prime minister, said: "I find proportional representation excellent in Malta. . . . It is the only system possible." Mr. Robert Hamilton, a leading member of the Constitutional party, after commenting on the ease with which even illiterate voters used the transferable vote, said: "The people are used to it and like it, and it is a thing which should not on any account be done away with in Malta." Sir Ugo Mifsud, leader of the National party, a former prime minister, also expressed the desire that there should be no change in respect of the electoral system; and Dr. Boffa, leader of the Labour party, asked that the system should be made one of the reserved subjects in the constitution. *—Report for the Year May, 1931-April, 1932 of the Proportional Representation Society of Great Britain.*

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P. R. to the Fore in South Australia.—The following is quoted from a recent letter from Mrs. Jeanne F. Young, for over thirty years honorary secretary of the Proportional Representation League of South Australia and recently, in spite of blindness and advancing age, organizer and president of the Proportional Representation Group, which has been working actively and effectively for the Hare system of P. R. since 1930. The Group consists of seven organizations which have P. R. on their programs—the important Australian Natives' Association, the Country party (Men's and Women's Branches), the Henry George League, the P. R. League, the W. C. T. U., and the Women's Non-Party Association.

News received from Adelaide this week is very hopeful. The Labour Premier, who divided his party last year by supporting the so-called Premier's Plan to reduce the cost of government and interest on loans, has at last consented to receive a deputation from all of the societies in the Group, as well as from the Group itself. Incidentally I have also heard that he was reported by the press to have determined to introduce P. R. into the House.

If he should do so, there is every probability of it being carried. The Labour party is very much divided on most questions, and without P. R. at the election which is due next year Mr. Hill and his Ministers will stand no chance of independent election, for they will not be chosen in the pre-selection ballots [unofficial party primaries], one of the greatest curses of the majority systems of voting.

Our see-saw in politics to which we have become accustomed in Australia, a condition due entirely to defective electoral machinery, makes it almost certain that Labour will be defeated by a good majority in 1933 as it was elected by a big majority of seats in 1930 although it received only a minority of votes in the country.

On that account the so-called Liberal party has made another compact with the Country party so that there will be no split votes. The Country party is, however, a prominent member of our P. R. Group. This fact may force Mr. Hill on to P. R., which alone can save his section of Labour from annihilation.

The other organizations in the Group are extremely strong on P. R. The annual conference of the Australian Natives' Association has just carried a resolution urging all branches in all states to make P. R. an intensive campaign at all elections. Since the Group was formed several women's organizations throughout Australia have supported P. R. and are doing excellent propaganda work for the reform. A Citizens' Federation is working in Perth for P. R. and a new Non-Party Association has been formed in Queensland, with P. R. in the forefront of its programme. . . . I am hoping that we may be able to establish groups of societies in all states to push the reform, especially for the Federal Parliament.

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Australian Election Contrasts.—The need of P. R. for federal elections in Australia was well exemplified by the elections of last year, held under preferential majority systems with no provision for minority representation. In the elections of the house of representatives the

United Australia party elected 54 per cent of the members (38 out of 71) on the strength of a 44 per cent vote. In the elections of the senate the United Australia party and the Country party combined and won 15 seats out of 18 with only 55 per cent of the voters behind them. The outgoing Labour government secured its three seats in the senate by a scant 3 per cent margin in Queensland. But for this piece of good fortune there would have been no representation of the minority, as in 1925. The last two federal elections have been characterized by violent swings of the pendulum and wholesale defeats of cabinet ministers, including in the first case the outgoing prime minister himself.

In Tasmania a provincial election was also held last year—the ninth under the Hare system of proportional representation since the system was adopted in 1907. In the commonwealth elections the Labour party failed to obtain a single Tasmanian seat, but in the provincial elections, thanks to P. R., it secured ten seats out of thirty. Majority and minority both secured representation in every district.

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Local Elections in New Zealand.—The issue of *Board and Council*, an Auckland, N.Z., periodical, for May 27, 1931, gives a rather extended discussion of certain aspects of the proportional representation counts in recent local government elections in that country. The Hare system of P. R. has been optional for local elections in New Zealand since 1914 and is used notably in the city of Christchurch, where it was adopted first in 1917, voted out by the council in 1919, re-adopted in 1920, voted out again between the elections of 1923 and 1925, and finally re-adopted between the elections of 1927 and 1929. *Board and Council* mentions proportional counts for the members of the Lyttelton Harbor Board and of the North Canterbury Hospital Board, not previously recorded in this country as being elected by P. R. The proportional method has also been adopted for the town councils of Westport and Runanga.

The returning officer for the last election of the Christchurch council, to which sixteen members are elected together from the city at large, is quoted as referring to the absolute accuracy of counting forced by the proportional method. The transfers of ballots which would otherwise have been wasted on hopeless candidates or candidates with more than the required quota proved significant, four of the candidates who stood among the first sixteen on first choices being displaced in the final standing. The percentage of invalid ballots was 5.2, about the same as in Cleveland and Cincinnati. In 1927, when a novel method of voting a majority ballot was tried, the percentage spoiled was 17.7.

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The Annual P. R. Dinner, Washington, September 21.—The annual dinner and meeting of the Proportional Representation League will be held this year as usual as part of the National Conference on Government. It will be held at the Willard Hotel in Washington the final evening of the conference, September 21, at 6:30. A significant program is being arranged and will be sent to all members and inquirers.

This will be the first meeting of the P. R. League since the consolidation of its work with that of the National Municipal League. A brief report of the progress of the work under the new arrangements will be made by the League's Executive Secretary.

The meeting is open to non-members. Reservations may be made through the P. R. League or the National Municipal League, 309 East 34th Street, New York City.

RECENT BOOKS REVIEWED

THE MANAGEMENT OF SMALL MUNICIPAL LIGHT PLANTS. By Frederick L. Bird. New York: Municipal Administration Service, 1932. 145 pp. Cloth $1.50; paper $1.00.

This study of the management of small municipal lighting plants includes not only a discussion of their organization and control and of the duties and qualifications of plant managers but also takes up the major problems which confront those responsible for the management. Realizing the danger in any selected list of municipal plants, the author has used as illustrative material the fifty-one municipal electric plants of the state of New York. In his analysis of the results of their operations, based not only on a study of the figures available at Albany but also on conferences with plant managers and other local officials, Mr. Bird's attitude is sympathetic but critical. In his chapter on rates and in that on record keeping and reporting, the emphasis is on the opportunity and need for improvement in the case of the great majority of municipal plants. The high standards set by a few of the leaders in these respects are quoted as examples of what can be done.

Any manager of a municipal lighting plant or member of a municipal lighting board who is not dead from the neck up will find it worth while to read this book through from cover to cover. It is inevitable that any man connected with the management of municipal plants should constantly compare what his plant is doing with the policies and results discussed by Mr. Bird. And his plant cannot help profiting thereby.

The general student of public utility questions will perhaps find the tables and the analysis of the results of municipal operation in New York the most interesting part of the book. The Jamestown plant is of course outstanding but the records of some of the other plants are such as to give the management of private utility companies food for thought. To an even greater extent than in Massachusetts it is common practice to milk the municipal plants for the benefit of the taxpayers.

This book is convincing evidence that municipal operation "is deserving of more attention at least as a direct and forthright means of regulation."

CHARLES H. PORTER.

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STATE CENTRALIZATION IN NORTH CAROLINA. Edited by Paul V. Betters. Washington: The Brookings Institution, 1932. xi, 261 pp. $2.00.

This volume has been prepared to meet the demand for information concerning the sweeping governmental changes made in North Carolina in 1931. The most striking elements of this program are discussed, in the several chapters, by experts in the employ of the state. Dr. Betters, as editor, has added introductory and concluding statements.

In the chapter on education, the 1931 law is presented as the latest step in a program of adequate fiscal support. By it the state government assumed complete responsibility for the financing of a minimum term of six months of school in every district in the state according to standards fixed by the state. If any district desires a longer term it may by taxing itself provide for such extension.

The chapter on the highway system was prepared by Charles Ross, general counsel of the state highway commission. Under the recent act, 45,000 miles of county, township, and other local roads were transferred from local to state jurisdiction for purposes of construction and maintenance.

In the story of the steps taken by the state government to supervise local finance is packed into small compass a summary of far-reaching legislation passed since 1925 largely upon the recommendation of the Commission to Study County Government. North Carolina has probably gone further in the direction of correcting abuses of power and the effects of official ignorance in local government than has any other state.

The provision of adequate taxes to finance this enormous new program of state activity has been a difficult task. How it was approached and the success which has been so far attained are outlined in a chapter on taxation and the revenue system by Dr. Fred W. Morrison, director of the research department of the State Tax Commission.

The text closes with a chapter by Dr. Betters on state administrative reorganization. Here are summarized the partial results obtained at the 1931 session from a report prepared by the Brookings Institution for the governor in 1930, outlining the need for comprehensive reorganization. The principal items of success related to the creation of a centralized purchasing agency, and of a personnel agency, both in the governor's office, and the consolidation of the state institutions of higher education.

Harvey Walker.

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The Valuation of Vacant Land in Suburban Areas. Chicago Area. By Herbert S. Simpson and John E. Burton. Chicago: The Institute for Economic Research, 1931. Monograph No. 2. 56 pp. $1.00.

The report presents the results of a study of vacant lands in Cook County—the suburban and rural periphery of Chicago. The study was made at the request of the Truck Gardeners and Farmers' Association of the county and with the aid of funds appropriated by it.

The authors have evolved a new scientific method of valuation of the vacant suburban lands. This method involves the treatment of the suburban area as a whole and the computation of basic land values which may be applied to specific sections of the territory and modified in the light of the conditions obtaining in them. It involves the determination of the following factors: 1. The number of acres, in the territory, available for urban and suburban use (as distinguished from the number of acres of land occupied by streams, roads, cemeteries, parks and unavailable for this purpose) and the number among them that are vacant land, subdivided into lots or still in the "acreage" stage. 2. The probable growth of population in the area during the next, say, thirty years. 3. The ratio of the prospective population to the usable area; that is the amount of land likely to be purchased for the erection of residential and other buildings within the next thirty years or so. 4. The value which land may be expected to have under a given character and degree of urbanization, when it attains these conditions of urbanization. 5. The costs that would need to be incurred in developing land for urban utilization and in carrying it until utilized. 6. The income, if any, to be obtained from the present agricultural or other utilization of the land during the period in question, which must be deducted from the costs. 7. The present worth of all these future elements of costs and value. 8. Finally, the actuarial probability of each vacant acre in the area becoming one of the fortunate acres that will be absorbed for urban and suburban use, within the specified period.

Using this method of computation the investigators have arrived at the following figures: 330,972 acres of land in the county available for urban and suburban absorption, of which only 81,652, or 24.4 per cent, will probably be absorbed by 1960; an average investment period of 16 years; a future selling price of $15,745 per acre which, after deduction of investment and selling costs, would yield the sellers $5,606 per acre, the present worth of which would be $2,207. This amount would represent, on the basis of a 24.4 per cent chance of absorption of the land, an average present value of an acre of vacant land in the county of $538. Similar computations, resulting, however, in higher or lower valuations than the above, are made for certain sections of the county characterized by a more rapid or less rapid growth of population and a greater probability or a lesser one, of land absorption, than the average for the county as a whole.

The suggested method of valuation holds considerable promise and is worthy of study and experimentation. The report is exceptionally well written. A technical problem has been presented in an interesting manner.

Paul Studenski.

REPORTS OF PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Bail Administration in the Cincinnati Regions.—R. M. Hoisington. Cincinnati Crime Committee in coöperation with Cincinnati Bureau of Governmental Research, Cincinnati, 1932. 52 pp. This report, the sixth study of criminal justice in Cincinnati, describes the policies governing the administration of the bail laws in municipal and common pleas courts in Ohio, a municipal and circuit court in Kentucky and federal courts in the region. The use of bail is discussed, and bond forfeitures and judgments on these. Examination of the effectiveness of the practices leads to recommendations for improving customary procedure. Among these are the increased use of release of defendants on their own recognizance, judgment for the full amount of bonds, the setting of original bail amounts on the basis of characteristics of the person involved as well as the offense charged, the recording of non-professional bond sureties for purposes of regulation, and legislation in Kentucky requiring the filing of notices of bail bonds and making such notices liens against the property securing the bonds. (Apply to Cincinnati Bureau of Governmental Research, 914 Main Street, Cincinnati, Ohio.)

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Salaries and Conditions of Employment of Police Forces in 245 Cities in the United States and Canada.—David Wolff. Municipal Administration Service, 1932. 22 pp. As a purely statistical study this bulletin presents material collected since January of this year. In tabular form are given the data on the number and salaries of variously classified members of the police forces, the method of selection, training and promotion, the hours on duty, vacation and sick leaves, clothing allowance and pension systems. (Apply to Municipal Administration Service, 309 East 34th Street, New York. Price 35 cents.)

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Pension and Retirement Plans for Virginia Cities.—Rowland A. Egger. League of Virginia Municipalities, Richmond, 1932. 25 pp. In the light of his study of pension plans, Dr. Egger here presents pension plans adaptable to Virginia municipalities. After brief explanation, the proposed ordinance, covering three alternative proposals, is given. (Apply to Bureau of Public Administration, League of Virginia Municipalities, Travelers Building, Richmond.)

*

Guide for the Planning of Elementary School Buildings.—National Council on Schoolhouse Construction, Milwaukee, 1932. 12 pp. Suggestions for classrooms, corridors, stairways and exits are given in this first publication of the National Council on Schoolhouse Construction, a voluntary association of persons with a professional interest in bettering the physical conditions of school buildings. Additional standards are in preparation and will also be published in accordance with the purpose of the organization which includes "the establishment of reasonable standards for school buildings and equipment, with due regard for economy of expenditure, dignity of design, utility of space, healthful conditions, and safety of human life." (Apply to National Council on Schoolhouse Construction, 524 North Milwaukee Street, Milwaukee, Wisconsin.)

*

Manual of Public Works Records and Administrative Practice, as Installed in Troy, New York.—Committee of Uniform Street and Sanitation Records and the New York State Conference of Mayors and Other Municipal Officials, Chicago, 1932. 102 pp. The Committee installation of public works records, suited to cities ranging from 50,000 to 200,000 population, was made in Troy, New York, upon arrangement of the New York State Conference of Mayors and other Municipal Officials. The manual includes and explains forms for handling labor, materials and supplies and equipment used in public works, and indicates methods of effective control for them. A complete work program is given with a budget system and the means of continuous financial control by the general city accounting system. (Apply to Committee on Uniform Street and Sanitation Records, 923 East 60th Street, Chicago. Price $1.00.)

*

How Police Departments are Headed.—Schenectady Bureau of Municipal Research, Schenectady, 1932. chart. In order to help solve a difficult local problem as to the distribution of power between police chief and commissioner, the Bureau of Municipal Research undertook to secure information and opinions on the systems used in other cities. Data on the selection and removal of police heads, secured from one hundred and twenty-four cities including all those over 80,000 population are presented in chart form. (Apply to Schenectady Bureau of Municipal Research, Proctor's Arcade, Schenectady, New York.)

*

Natural Gas Franchise Provisions.—League of Minnesota Municipalities, Minneapolis, 1932. 8 pp. The extension of gas pipe lines has raised seriously the problem of franchise provisions for cities where this has previously presented no problem. A special committee of the Minnesota League here presents suggestions including a proposed gas franchise ordinance. (Apply to League of Minnesota Municipalities, University Library, Minneapolis.)

*

Plans for City Police Jails and Village Lockups.— Hastings H. Hart. Russell Sage Foundation, New York, 1932. 27 pp. The problem of the detention of municipal prisoners has so generally been neglected that suitable plans for city jails and village lockups are welcome. In this volume actual plans are presented, with brief descriptive material for the public safety building of a large city, a police station for a city of about 100,000 population, and one for a city up to 25,000 population. Considerable emphasis is placed on a two or four-cell lockup of fireproof construction for the small village. (Apply to Russell Sage Foundation, 130 East 22nd Street, New York. Price $1.50.)

*

Civic Pittsburgh.— J. C. Slippy.—Pittsburgh, 1932. 22 pp. The subtitle "Facts and Figures About Your Business" explains the subject matter. In this, the fifth edition of his pamphlet, Mr. Slippy gives essential data on the three governmental units of Pittsburgh, the city, the school district and Allegheny County. Primary emphasis is given to administrative organization and finances, with diagrams, graphs and tables to illustrate. Believing that "citizenship is effective only as it demands all the facts" the author presents them in clear, concise form to his fellow citizens. (Apply to J. C. Slippy, Pittsburgh, Pennsylvania.)

Library Salaries.— American Library Association, Chicago, 1932. 42 pp. The June issue of the Bulletin of the American Library Association is devoted to discussion and to presentation of the salaries paid to librarians throughout the United States. The statistical data are given for public libraries in cities by four population groups, and for school and university libraries falling in four classifications. Always of interest, compilations of salary statistics are of particular value when the personal service items are bearing so much of the brunt of the budget slashing. (Apply to American Library Association, 520 North Michigan Avenue, Chicago.)

*

State Legislation for Unemployment Relief.—Rowland Haynes.—The President's Organization on Unemployment Relief, Washington, D. C., 1932. 74 pp. The author has summarized the legislation passed by the states between January 1, 1931 and May 31, 1932 in aid of local financing of unemployment relief. The text of the laws of New York, New Jersey, Rhode Island, Illinois, Wisconsin, Ohio and Pennsylvania are given as well as pertinent court decisions in three of these states. In summary the measures are compared on the basis of where the money comes from, who administers it from the view of both state and local governments, the powers of the state agency, method of allocating the funds, what they are spent for, and the extent of the aid both in time and money. (Apply to United States Department of Commerce, Washington, D. C.)

*

The Sanitation Rating of Municipal Milk Supplies in Minnesota.— P. R. Carter.—League of Minnesota Municipalities, 1932. 8 pp. A sanitarian of the Minnesota Department of Health sets forth the basis on which the Department makes its ratings of municipal milk supplies. The results of the 1931 survey of cities and villages from 2,000-5,000 population are given in diagrams, showing the percentage of compliance with the standard conditions promulgated by the United States Public Health Service. Inasmuch as the communities of this size average less than thirty-five per cent compliance and only one is better than fifty per cent toward safe production and pasteurization of all of its milk supply, the state survey work is of considerable value. (Apply to League of Minnesota Municipalities, University Library, Minneapolis.)

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER — *Virginia Bureau of Public Administration*

THE LONDON CONGRESS AND AFTER

BY MORTON L. WALLERSTEIN

The United States was officially represented for the first time at the meeting of the International Congress of Local Authorities which held its triennial session in London during May of this year. The delegation appointed by the Department of State of the United States, included the following:

Louis Brownlow, director of the Public Administration Clearing House, *Chairman*; Paul Betters, executive secretary of the American Municipal Association, *Secretary*; Guy Moffett, director of the Spelman Fund; Luther Gulick, director of the Institute of Public Administration; Harold D. Smith, director of the Michigan Municipal League; Samuel Baker, secretary of the Union of Canadian Municipalities; Samuel C. May of the University of Southern California; A. E. Buck of the Institute of Public Administration; J. H. Knisely, secretary of the Pennsylvania Borough Association; John Nolen, City Planner; Donald C. Stone, research director, International City Managers' Association; Morton L. Wallerstein, executive secretary of the League of Virginia Municipalities.

The Congress devoted three days to a discussion of two problems concerning which printed reports had previously been received from the various countries. One was "The Practical Working of Local Authorities" and the other was "Training of Local Government Officials." The reports for the United States were prepared under the auspices of the Public Administration Clearing House by Arnold Miles, Harvey Walker and Luther Gulick. Those in attendance at the Congress, aside from information culled from illuminating discussions of these problems, received two very definite impressions. One was that there is little difference between the present day problems of Alexandria, Egypt, and Alexandria, Virginia, or any other cities. For this reason the development of this international organization serving local governments can result in an interchange of information of great value. The other impression was that a greater international accord among nations would be promoted by frequent contacts among those interested in municipal government, such as the Congress and a strong international organization would provide.

Upon the adjournment of the Congress, and following incidental trips near London, six of our delegation, Brownlow, Moffett, Betters and three of the municipal league secretaries, Smith, Knisely and Wallerstein, spent a month in making a rather thorough, although necessarily brief, inspection and study of the organization of cities and of municipal officials in England, Holland, Germany, Czecho-Slovakia, Austria, Switzerland, France and Belgium. Wherever time permitted, an examination in the various cities of some of their governmental operations was made.

INFLUENTIAL MUNICIPAL ORGANIZATIONS

In our visit to the organizations of cities, we learned that the municipal leagues abroad have developed to a point where both the national and state governments constantly consult them with regard to legislation and governmental policies relying upon the greater knowledge of these organizations, with the result not only of securing better and more scientific legislation and other help in local problems, but also of preventing ill feeling flowing from legislative fights. In addition to this, on the governmental commissions of nearly all of the countries, representation is had from the organization of cities wherever municipal problems are involved. We were also impressed with the size and activity of these organizations, many of them owning large buildings, with large staffs of lawyers, engineers, economists, publicity representatives, and the like, all well trained and expert, thereby furnishing services which justify a liberal expenditure toward their support from the member cities. In fact, almost universally, the municipalities willingly contribute proportionate amounts annually assessed by the governing boards of the unions of cities for their annual needs.

In Holland, for instance, with a population of eight million—less than some of our states—there are 1077 communes of which 96 per cent are members of the Association of Dutch Municipalities of which Dr. Jonker is director. The Association publishes two municipal papers—a weekly and a monthly. It contracts with insurance companies affording advantageous rates for the member communes. It furnishes accounting and auditing for its members, sets up record and filing systems for communes, and furnishes engineering advice. Most interesting is the organization's present task of planning the administration of Holland's newly reclaimed territory from the sea, the province of Zuidersee. The Association has a large staff housed in its own four-story building, admirably furnished.

Then in London there is the National Association of Local Government Officials—called Nalgo—which was originally started for purposes of securing proper pension and superannuation legislation which it still administers, but today, its most important policy according to its director, Mr. Hill, is its education program with its correspondence courses and the school at Cambridge for its 60,000 member local officials. Thus, through Nalgo the local officials have themselves built the requirement that the recruit to the public service must measure up to a certain standard and continue to develop through training, both culturally and technically.

In Germany, the *Deutsche Städtetag,* the league of the largest cities, of which Dr. Mulert is chief executive, owns its own commodious building and is amply staffed by experts in every line. Besides this are the association of the smaller villages and counties, the *Landkreisetag,* of which Mr. von Stemple is the head; the association of smaller cities, the *Landgemiendestag,* of which Mr. Schillen is director; and the association of larger cities, the *Reichestadtebund,* of which Dr. Vogt is the vice president.

The French Union of Towns, of which M. Sellier is the president, acts as secretariat for the Annual Conference of Mayors which meets once a year in Paris. It began in 1913 and was reorganized after the war in 1921. It endeavors to serve only the larger towns. The discussions of problems are always held at the mayors' meeting, the Union of Towns maintaining a library, information service, research service, and publishing five magazines. It, too, has a large budget. Much of its technical aid is furnished by officials of the city of Paris to whom a very moderate fee is paid for their work. The city of Paris is very liberal in its contributions to the Union, and also gives the Union a building together with their light and heat. The French Union actively coöperates with the International Union of Local Authorities in Brussels, makes a substantial contribution to that organization, and in turn receives very valuable services. The French Union of Towns is also active in furnishing technical advisers who go to various member towns and give them the benefit of their suggestions at a moderate cost.

All of these associations have annual budgets of from sixty to one hundred thousand dollars, have staffs of experts in the field of finance, schools, welfare, politics and economics. All do field work, and coöperate with the central government. As an instance of their size, the Deutsche Städtetag in addition to the president and the five heads of departments employs at its headquarters nineteen other people.

THE INTERNATIONAL UNION

The delegation terminated the trip with a visit to the headquarters of the International Union of Local Authorities in Brussels. Senator Wiebaut of Amsterdam, who is president of the International Union and who presided at the Congress in London, did our delegation the honor of coming from his home in Amsterdam to Brussels in order to receive us.

With him and Senator Vinck of Belgium, the secretary of the Union, the delegation spent a most instructive day. The International Union of Local Authorities had its origin in a meeting in 1912 of a few of the Burgomasters from several countries who met for an interchange of ideas. They formed what was then known as the Internationl Union of Towns. The work of that association was seriously interrupted by the World War. In 1924, however, it was revived with the idea of organizing the Union with membership held by associations of municipalities rather than the municipalities themselves. This continues to be the basis of membership. It was then agreed that the Union should collect information for designated subjects for study, make particular studies when requested, and endeavor to arrange for publishing the completed studies. It shares its quarters with the Belgian Union of Towns in a building whose use is donated by Belgium. Although it has an absurdly low budget, through the association with the Belgian Union it is enabled to have the services of a staff of eight. It is likewise extremely fortunate in having the staff of the unions of cities in Germany, France, Holland and England take over part of the work.

The primary difficulty of the organization, like all international organizations, is one of language, as everything that it publishes should, in order to reach the members, be published in at least six languages. The International Union apparently is building up a valuable collection of well indexed documents. One of its chief difficulties has been to secure men on its limited budget to make the necessary synopses of worth while information that comes into the office. Membership in the International Union, as stated, is held by national organizations of cities selected by the national government. Membership in the United States is held by the American Municipal Association, the national association of state municipal leagues. The Union has also done some work at the request of the League of Nations, a specific example being "Coöperation for Traffic Rules" which Dr. Schultheis of Switzerland undertook to prepare for the Union. It was in turn adopted by the League of Nations.

At the present time it is apparent that the International Union of Local Authorities has revenue adequate only to carry its present overhead. Any extra contribution would, according to the officials of the organization, mean a definite expansion of the much needed work. Senator Vinck, its secretary, pointed out that the *Deutsche Städtetag* in its present state of unquestioned efficiency is the result of only twenty years existence. One would therefore rather hesitate to envision the International Union of Local Authorities two decades from now. Certainly it is embarking upon a worth while piece of constructive work in a serious way. Its usefulness to the cities of the United States is valuable. Certainly it would reflect great credit on the United States to be actually carrying its full share of the work and the financial burden necessary to the development of this excellent international set-up.

While the greater part of the time of the delegation was consumed in the study of the organizations of cities, some opportunity was furnished for observation of the activities of the municipalities. The one outstanding impression made upon us on our visit to the various cities was the large part played by town planning and housing activities. In The Hague, a city of less than a half million population, city planning began in 1890. Today the department of planning and housing has 113 people on its staff. Seventy-four hundred municipal houses have been erected since 1914.

Vienna has, filling the auditorium of the *Rathaus,* the municipal building, an educational exhibit of town planning. Vienna, like many European cities, is determined to abolish slums. Vienna is also publishing books attractive for children on housing and town planning, a pointer which America could well simulate, to educate the new generation to the importance of this problem. Vienna has built forty-six thousand separate apartments, all financed out of current revenue from year to year, and the flats rent for as little as two or three dollars a week. Each of the apartment centers has a kindergarten, a community laundry, and a community meeting place. Many have wading pools and practically all have large open courts. As an example, the Karl Marx apartment center has twelve hundred flats. Quite naturally, the great activity in planning and housing has made this a leading part of the work of the European leagues.

In France, for instance, M. Sellier, president of the French Union of Towns, is also director of the Town Planning Institute.

This institute serves all of the towns of France. We visited the beautiful new building into which the staff of the institute was moving, and found that there were on the staff some thirty or thirty-five which, if the architects doing work for the institute be considered, would bring the total number up to one hundred. It includes an exhibit room, a splendid new library, and adequate space for the entire staff.

EUROPEAN EMPHASIS UPON TRAINED PERSONNEL

Impressive also is the insistence of the European cities upon a trained personnel, not only in the recruitment, but in subsequent training. Berlin, for instance, trains its police officials seven years, but uses them only for five years. Naturally, there is a well trained, active police department in that city composed of only young men. The cities of the United States might well consider Prague's street lighting standards painted bright red and gold, giving a cheerful and colorful effect, as contrasted with the dull and frequently dirty street standards appearing in America.

Perhaps outstanding above the work of the organizations of cities or the development of functions is the respect for law and public authority and the high regard which is accorded those who are engaged in public administration. Perhaps our failure in this regard, is one of the penalties America pays for democracy. But certainly one who makes even a casual study of municipalities in Europe is bound at least to have the satisfaction of knowing in the face of discouragement that good city government, including respect for law and those administrating it is not impossible of achievement. It is small comfort, as one of our European friends said, that they have a thousand years' start on us!

The next Congress is tentatively set to meet in 1935 in Berlin. Further participation by the United States is bound to be of benefit to students of government and to our municipal officials, as well as being a help to this country in building up greater good-will among its sister nations.

During the trip the delegation was received, entertained, and instructed by the Lord Mayor of London, Burgomasters Elsas and Seitz of Berlin and Vienna respectively, and municipal officials everywhere we went.

The hope was expressed by our delegation that the Congress might in 1938 or 1941 meet in the United States. Perhaps, in a small measure, we might then reciprocate the fine hospitality accorded the American group.

NOTES AND EVENTS

Conviction of Pittsburgh Mayor.— Pittsburgh's indicted mayor became Pittsburgh's convicted mayor when on May 14 a Butler County jury found Mayor Kline guilty of malfeasance in office. But the mayor's conviction is a weak one. Out of 13 indictments, which the jury had to consider from the total of 48 standing against the chief executive when the trial began, a guilty verdict was returned on only one. This particular count charged the mayor with issuing a warrant for $5000 in partial payment of three trucks before the trucks were delivered to the city. On a closely related charge, which charged the mayor with effecting the actual purchase of these same trucks, Mr. Kline was acquitted.

This possible inconsistency in the jury's findings was emphasized by the defense in arguments for a new trial, which were heard by the trial judge in mid-July. If the verdict is upheld by the judge, whose decision is not expected until September, it must also withstand a long line of appeals to the higher courts. Should the supreme court of Pennsylvania finally uphold the verdict, then "King Charlie" will be automatically replaced by the president of council, who in turn will be succeeded by a new mayor elected by the council for the unexpired term. In case such a fate proves to be the mayor's, Mr. Kline might have to serve as much as one year in prison and pay a $500 fine. This maximum sentence would not be likely, however, in view of the jury's recommendations for the "lightest sentence possible."

In a joint trial, Mayor Kline's former director of supplies, Bertram L. Succop was convicted on 29 counts. Mr. Succop, who was dismissed reluctantly by the mayor early in the supply scandal revelations of February, 1931, was found guilty of awarding meat contracts on "trick" bids, of splitting large canned goods orders into less than $500 orders so as to evade the law requiring such contracts to be let to the lowest bidder, and of buying furniture and tires from other than the low bidder. The mayor escaped conviction on all these counts in spite of the law which makes him jointly responsible with department heads for the letting of contracts.

Much wrangling over legal technicalities and involved testimony featured the trial. Both defendants testified in their own defense. The jury was sequestered during the entire trial, a period of two weeks. It is understood that a woman juror, a sister-in-law of the Butler mayor, saved the mayor of Pittsburgh from conviction on more counts. But the citizenry of Pittsburgh have no rightful complaint against the jury, because all undesirable mayors are not illegal mayors.

ELBERT EIBLING.

University of Pittsburgh.

*

Success of Detroit's Jury Panel System.—Detroit's new system of selecting jury panels, under provisions of state law, seems on the way to successful operation, after making the combined hurdles of political opposition and financial deficits. Profiting by the experience of Cleveland, and noting some of the methods practiced in the far west, the bill was drafted and passed by the legislature, calling for three commissioners, who are to select jury panels in local courts by a rigid key-number system. Political opposition from the old group which had long manipulated the choosing of jurors accounted for the legislative compromise whereby three commissioners were provided, instead of one full-time commissioner with adequate staff of investigators.

Ambiguity in the law as to whether the

city or the county should finance the commission resulted in delays and difficulties. Appeals to the governor, attorney-general, and legislative leaders seem to have cleared the air; if further amendment of the law is required, it may be furnished in the next legislature. Meantime the basic ideas of the plan have won practical acceptance in operation. Most of the judges and other officials concerned appear to welcome the new and better method, whereby the professional juror is eliminated. It now is proposed that a single commission be authorized to serve all city and county courts, under one management.

This reform in jury selection marks a definite step away from ancient and corrupt practices which, it is admitted, allowed vicious lawyers and weak judges in the past to "hang" many a jury, and make a travesty of justice.

W. P. Lovett.

*

The Probst Rating System.—A complete demonstration of the validity and reliability of service ratings made on the Probst plan, has not yet been made, although preliminary investigations point to a very considerable degree of success in the use of this method of securing service ratings.

The Probst plan does not obviate the difficulty arising from different standards assumed by a series of raters. On the other hand, the double check or triple check tends to minimize the variations brought about by these different standards. Preliminary results in the application of the Probst system in the Chicago Police Department indicate that a double check irons out much of this differential.

Careful supervision of the raters and close instruction seems to be necessary, but with such guidance, excellent operating results may be anticipated. It is true that some difficulty is theoretically to be expected using the same weights attached to the various items for different kinds of work. This difficulty is overcome in part by the natural selection on the part of the rating officer of those items which are pertinent to each type of work, omitting others which are not relevant. It is also overcome by the development of special rating forms which are now available for police, fire, educational and labor service in addition to the general form.

Leonard D. White.

The New Jersey League of Municipalities.—

To the Editor of the National Municipal Review:

I was doubly shocked to learn in the June Review of the death of my friend and former colleague, Sedley Phinney. Shocked at the occurrence, and then at something you said in your editorial.

". . . . Mr. Phinney had developed the New Jersey league from almost nothing into a powerful organization of municipalities with a dominant influence. . . ."

All honor to Sed Phinney and his memory, for the good work he did in New Jersey. But it is not true that the New Jersey league was "almost nothing" before his day. To say so is to be gratuitously unkind and unfair to Claude H. Anderson, first secretary of the league, and to the loyal and militant city officials who, responding to Anderson's brilliant organizing ability, enabled him to make the league powerful, dominant, and socially useful, from its start.

Have you forgotten that in war days the New Jersey league *was* the State council of defense, with all of the State's busy war-time machinery built around it? Anderson did that.

Edward D. Paxton.

*

County Consolidation Talk in Oklahoma.—Oklahoma citizenry is now hearing much about better and cheaper local government. Governor William H. Murray in his second message to the legislature February 4, 1931 said that "county government must needs be rearranged in order for it to survive against the costs." He proposed the following methods: First, combination of certain offices; second, the adoption of some form of county "managerial" government; and third, the reduction of the seventy-seven counties to fifteen or twenty. Regarding the last, the governor said "whether this should be done, it is idle to discuss, because it is impossible of accomplishment. The people of the losing county will never agree to surrender the county seat in favor of the county to which they would be attached. . . ." No doubt the governor was viewing the county courthouse as the politicians' "Alamo."

Governor Murray began his administration with high hopes of accomplishments. His enemies, and many of them were vicious politically, fought him at every move. Some of his friends embarrassed him by their asininity, stupidity and venality. Furthermore, the governor became afflicted with "presidentitis" and the hope of better local government reform faded away early in his administration.

The approach of the 1932 campaign brought into the limelight various organized groups seeking methods and means of reducing expenditures independent of the governor and the legislature. Yet not a single candidate, save two or three insignificant personages seeking election to the legislature, ever offered a plan or program of any kind for better local government except the usual slogan, "Economy and Efficiency." So it was left to the State Chamber of Commerce, the Oklahoma Tax Economy Association, the larger newspapers, and a few other groups to seize the lead for better and cheaper local government.

The State Chamber of Commerce has undertaken a survey of the state's local units of government and it is releasing its findings to the public as they are completed. As a result of its findings, it has announced a plan for county consolidation which will be presented to the coming legislature. In the meanwhile it is laying plans through the local chambers of commerce, and other pressure groups to organize the state for publicizing its merits. It does not expect to see it adopted in part or in whole at the present time. Its immediate objective is to arouse the public to the needs of a rearrangement of the present system and the abolition of the unnecessary aspects of it.

The plan for county consolidation as outlined by the State Chamber of Commerce is an ambitious one. It proposes that the seventy-seven counties be merged into twenty at a saving of $17,000,000 annually. Such counties would be approximately equal in economic wealth with an area ranging from 1800 to 6400 square miles—an average area of about 3400 square miles for all counties. The existing counties have an area ranging from 419 to 1277 square miles—the average being about 900 square miles or one fourth of the average county in the proposed plan. The average citizen would be less than twenty-five miles from the courthouse, and in the case of no county would the average distance be more than thirty miles. The plan is so arranged as to take the advantages of the present state highway system.

The plan furthermore abolishes all of the 956 townships with a saving of $3,000,000 annually. It also reduces the 5000 school districts to 2000 with a claimed saving of $1,000,000 yearly. The whole plan contemplates a total saving of $22,000,000 per year.

To put such a scheme into operation requires a constitutional amendment. Township government is abolished now in some of the counties, but levies for township government are made as under the system in which the usual officers govern the townships.

Of course, it is very improbable that such a plan would realize the estimated savings, but anyone familiar with local government in Oklahoma knows much could be done by consolidation. Inquiry among the candidates for the legislature reveals that there is a favorable attitude toward it. Propagandizing is the only thing needed to crystalize it in the eyes of the public which is now looking for cheaper government.

There is no excuse for the continuation of township government except for the patronage and spoils. It is universally admitted, except by the courthouse rings, that there are too many counties. And it is both natural and logical that some improvement can be made in school administration.

In addition to the survey made by the State Chamber of Commerce, the Oklahoma Tax Economy Association and other similar groups are giving their best thoughts to the merits of county consolidation. The large as well as the small newspapers are editorializing favorably toward it. A few of them are becoming militant about it.

Aside from county consolidation, talk is still being heard about county managership. The senate of the 1931 legislature with only two dissenting votes passed a county manager bill based on the model county manager plan. The legislature adjourned before it was considered in the house.

Lionel V. Murphy.

University of Oklahoma.

*

Establishes Consulting Office on Public Finance.— Senator Arthur N. Pierson, who this year completes a long service in the New Jersey legislature, has set up an office in Westfield, New Jersey, and is offering his services as consultant on state and municipal financial problems. Mr. Pierson is the author of the famous Pierson Bond and Budget acts of New Jersey which marked milestones in the progress of municipal finance in this country during the last fifteen years.

*

Civic Education by Radio.—The radio programs entitled "You and Your Government," which were heard in the spring, are to be resumed Tuesday evening, September 6. These broadcasts may be heard weekly over a nation-wide network of the National Broadcasting Company, at eight o'clock, eastern daylight saving time. The Committee on Civic Education by Radio has prepared for the fall preëlection series on the problems of government in a depression, which will be followed after election by a series on constructive economy in state and local government. No more interesting experiment in the field of civic education has ever been tried than this attempt to present in popular form the results of scientific study of government and politics.

The time for these programs has been made available by the National Broadcasting Company, and the committee is constructed under the auspices of the National Advisory Council on Radio in Education and The American Political Science Association. The committee is made up of political scientists, economists, educators, and public men. It has no particular opinions to present and no partisan bias to divert it from the truth. The spring series was well received by educators and civic leaders all over the country. Interest increased with each successive broadcast.

The committee is frankly striving to develop a technique of broadcasting which will appeal to the mass of adult citizens. This is by no means easy. Neither the broadcasting company nor their advertisers have been able to discover, except by trial and error, what will please the public. But real progress has been made and the fall series will present some interesting experiments in the broadcasting of round table discussions, colloquies, and debates.

To the readers of the NATIONAL MUNICIPAL REVIEW the two broadcasts on "Economy in Federal Government" and "Economy in Local Government" in the preëlection series, and still more the post-election series on "Constructive Economy in State and Local Government" should be of the most vital interest. This post-election series is in part intended to provide a vehicle of publicity for the results of the work of the Committee on Constructive Economy in State and Local Government, which has been appointed by President Seasongood of the National Municipal League.

The preëlection program is as follows:

General Theme: *Government in a Depression*

September 6—
Issues Between the Parties
Professor Lindsay Rogers
Hon. Frederick M. Davenport
Algernon Lee

September 13—
Issues Above the Parties
Professor A. R. Hatton

September 20—
Constructive Economy in the National Government
A Round Table Discussion led by
Louis Brownlow
Hon. Carl R. Chindblom
Miss Katherine A. Frederic
William Hard
Henry P. Seidemann

September 27—
Constructive Economy in State and Local Government
A Round Table Discussion, led by
Professor Thomas H. Reed
Professor H. W. Dodds
Dr. Luther Gulick
Professor Joseph McGoldrick
Miss Dorothy Straus

October 4—
What Can Government Do to Prevent and Relieve Unemployment?
Hon. Robert F. Wagner
Professor Charles A. Beard

October 11—
How Can Government Aid Finance and Banking?
Dr. John T. Madden
Professor Walter F. Dodd

October 18—
How Can Government Provide Greater Security in Our Economic System?
Paul Masur
Professor A. W. McMahon

October 25—
Mechanics and Manouvers of Campaigns
Professor A. N. Holcombe

November 1—
Why Vote?
Professor Charles E. Merriam

THOMAS H. REED.

1732 *1932*

PRELIMINARY PROGRAM

OF THE

BICENTENNIAL CONFERENCE ON PLANNING, PARKS, AND GOVERNMENT

WASHINGTON, D. C.
SEPTEMBER 18TH TO 25TH, 1932
WILLARD HOTEL

PARTICIPATING ORGANIZATIONS

American City Planning Institute
American Civic Association
District of Columbia Commission, George Washington Bicentennial
American Institute of Park Executives
American Legislators' Association
National Association of Civic Secretaries
National Council for Protection of Roadside Beauty
National Municipal League
Proportional Representation League

These Associations are meeting in the Federal City as a part of the Bicentennial Celebration of the birth of George Washington who selected the site on the Potomac as the seat of the National Government and who supervised the planning of the Federal City by *Major Pierre Charles L'Enfant.* The cornerstone of the north wing of the United States Capitol was laid by George Washington September 18, 1793

1793 *Supplement to the* *1932*
National Municipal Review
September, 1932 Vol. XXI, No. 9

PUBLISHED BY
NATIONAL MUNICIPAL LEAGUE

HOW TO SECURE REDUCED RAILWAY RATES

IF YOU LIVE EAST OF THE ROCKY MOUNTAINS BE SURE TO SECURE A CERTIFICATE

A reduction of *one and one-half fare on the certificate plan* will apply for members attending meeting of American City Planning Institute; American Civic Association; American Institute of Park Executives; American Legislators' Association; District of Columbia Commission, George Washington Bicentennial; National Association of Civic Secretaries; National Council for Protection of Roadside Beauty; National Municipal League; and Proportional Representation League, to be held at Washington, D. C., September 18–25, 1932, also for dependent members of their families.

Tickets at the regular one-way tariff fares for the going journey may be obtained on any of the following dates (but not on any other date):

From points in Oklahoma and Texas	September 13–19
From all other points in central and eastern United States	September 14–20

Be sure that when purchasing going ticket you request a CERTIFICATE. *Do not make the mistake of asking for a* RECEIPT.

Children of 5 and under 12 years of age when accompanied by parent or guardian will, under like conditions, be charged one-half of the fares for adults.

The following directions are submitted for your guidance:

1. Present yourself at the railroad station for tickets and certificates at least 30 minutes before departure of train on which you will begin your journey.

2. Certificates are not kept at all stations. If you inquire at your home station, you can ascertain whether certificates and through tickets can be obtained to place of meeting. If not obtainable at your home station, the agent will inform you at what station they can be obtained. You can in such case purchase a local ticket to the station which has certificates in stock, where you can purchase a through ticket and at the same time ask for and obtain a certificate to place of meeting.

3. Immediately on your arrival at the meeting, present your certificate to the indorsing officer, Miss Harlean James, executive secretary, American Civic Association, as the reduced fares for the return journey will not apply unless you are properly identified as provided for by the certificates.

4. It has been arranged that the special agent of the carriers will be in attendance on September 16–24, inclusive, and 26, from 8.30 A. M. to 5.30 P. M., to validate certificates. If you arrive at the meeting and leave for home again prior to the special agent's arrival, or if you arrive at the meeting later than September 26, after the special agent has left, you can not have your certificate validated, and consequently you will not obtain the benefit of the reduction on the home journey.

5. So as to prevent disappointment, it must be understood that the reduction on the return journey is not guaranteed, but is contingent on an attendance of not less than 100 members of the organizations at the meeting and dependent members of their families, holding regularly issued certificates obtained from ticket agents at starting points, from where the regular one-way adult tariff fares to place of meeting are not less than 67 cents on going journey.

Certificates issued to children at half fares will be counted the same as certificates held by adults.

6. If the necessary minimum of 100 certificates are presented to the special agent, and your certificate is duly validated, you will be entitled, up to and including September 29, to a return ticket via the same route over which you made the going journey at one-half of the regular one-way tariff fare from the place of meeting to the point at which your certificate was issued.

7. Return ticket will be limited to 30 days in addition to date of sale of going ticket as stamped on the certificate.

8. Information with respect to stop-overs and other details should be obtained from ticket agents.

9. No refund of fare will be made on account of failure to obtain proper certificate when purchasing going ticket, nor on account of failure to present validated certificate when purchasing return ticket.

If you live in the West, summer excursion rates will be in effect.

Summer excursion fares, which are on a lower basis than convention fares, will apply from the following territory:

Arizona.
British Columbia.
California.
Colorado (except Julesburg).
Idaho.
Montana.
Nevada.
New Mexico.
Oregon.
Utah.
Washington.
Wyoming.

SUNDAY: SEPTEMBER 18

1 P. M. Preconvention luncheon for the National Association of Civic Secretaries at 2744 Thirty-second Street, NW.

2 P. M. Registration—Willard Room, Willard Hotel.

3 P. M. Drive and visit to the United States Capitol in commemoration of laying of the cornerstone, September 18, 1793.

6. 30 P. M. Joint Supper—All Organizations. Ball room, Willard Hotel.

Subject: Planning and parks in home building and home ownership programs.

Presiding: Dr. John M. Gries, member Federal Home Loan Bank Board and executive secretary, President's Conference on Home Building and Home Ownership, held December, 1931.

Speaker: An official of the Federal Government.

8. 30 P. M. General Meeting of All Organizations— ———.

Subject: Plans and parks for the National Capital.

Presiding: Lieut. Col. U. S. Grant, 3d, Director Public Buildings and Public Parks.

Speakers: To be announced.

Moving pictures.

MONDAY: SEPTEMBER 19

8 A. M. (*1*) Round-Table Breakfast—National Association of Civic Secretaries. Coffee Shop, Willard Hotel.

(*2*) Round-Table Breakfast—National Council for Protection of Roadside Beauty. Coffee Shop, Willard Hotel.

9 A. M. Registration—Willard Room, Willard Hotel.

10 A. M. (*1*) Joint Session—American City Planning Institute, American Civic Association, National Association of Civic Secretaries, National Council for Protection of Roadside Beauty, National Municipal League.

Subject: Citizen support of planning.

Presiding: Frederic A. Delano, president, American Civic Association.

Speakers: Symposium: Is planning supported in your town, and how?

Pittsburgh—Frederick Bigger.

Rochester—Carey H. Brown.

Cleveland—Charlotte Rumbold.

New York—George McAneny.

St. Louis—Harland Bartholomew.

Discussion. Dr. Geo. C. Havenner, President Federation of Citizens' Associations, Washington, D. C.

George B. Dealey, Dallas, Tex.

J. C. Nichols, Kansas City, Mo.

Richard B. Watrous, Providence, R. I.

(*2*) Business Meeting—American Institute of Park Executives.

(*3*) Session—American Legislators' Association.

(*4*) Committee Meetings—National Municipal League.

MONDAY: SEPTEMBER 19

12.30 P. M. Joint Luncheon—All organizations.

Subject: Citizen support for planning and government.

Presiding: Harland Bartholomew, president, National Conference on City Planning, St. Louis.

Speakers: Alfred Bettman, Chairman, City Planning Commission, Cincinnati.

2.30 P. M. (*1*) Choice of City, Park or Regional Park Tour.

(*2*) Session—National Municipal League. General theme: The problem—Paying for local government during the depression.

Subject: Increasing demands on government *v.* declining revenues.

Presiding: Hon. Murray Seasongood, president, National Municipal League.

Speakers: Opening remarks by presiding officer.

How retrenchment in industries has increased the demands upon government.—Louis Brownlow, director, Public Administration Clearing House, Chicago.

Has the general property tax broken down?—Hon. Seabury C. Mastick, State senator, New York.

The pressure of unemployment on city treasuries.—Harry L. Hopkins, director, Temporary Emergency Relief Administration State of New York. (Invited.)

Effect upon municipal credit.—Carl H. Chatters, executive director, Municipal Finance Officers' Association, Chicago.

Discussion.

6.30 P. M. (*1*) Round-Table Dinner—American City Planning Institute, American Civic Association, American Institute of Park Executives, American Legislators' Association, National Council for Protection of Roadside Beauty.

Subject: Wanted—A national public land policy.

Presiding: To be announced.

Speakers: National parks a Federal responsibility.

Wild Life Sanctuaries on a National Plan.

Why national forests?

Symposium: What shall we do with the remaining public domain? Try to put it in private ownership?—Edward W. Morehouse, managing editor, Journal of Land and Public Utility Economics. (Invited.)

Cooperation with the States.—Henry W. Toll, director, American Legislators' Association.

Has the Federal Government a responsibility?—Frederick Law Olmsted, vice president, American Civic Association.

Discussion.

MONDAY: SEPTEMBER 19

6. 30 P. M. and evening. (*2*) ROUND TABLE DINNER AND EVENING SESSION—National Municipal League.

Subject: Cutting costs *v.* elimination of services.

Presiding: Honorable Murray Seasongood, president, National Municipal League.

Speakers: Must taxes be reduced?—Silas Strawn, former president, Chamber of Commerce of the United States, and honorary vice president, National Municipal League.

Must the schools be sacrificed?—William G. Carr, director of research division, the National Education Association, Washington.

Can we reduce welfare costs?—Frank Bane, director, American Public Welfare Association, Chicago.

The cost of keeping a community healthy.—C. E. McCombs, Institute of Public Administration, New York City.

Discussion.

TUESDAY: SEPTEMBER 20

8 A. M. (*1*) ROUND TABLE BREAKFAST—National Association of Civic Secretaries. Coffee Shop, Willard Hotel.

(*2*) ROUND TABLE BREAKFAST—National Council for Protection of Roadside Beauty. Coffee Shop, Willard Hotel.

9 A. M. REGISTRATION—Willard Room, Willard Hotel.

10 A. M. (*1*) JOINT SESSION—American City Planning Institute, American Civic Association, American Legislators' Association, National Council for Protection of Roadside Beauty.

Subject: Roadside improvements.

Presiding: Frederic A. Delano, president, American Civic Association.

Symposium.—Elements of Rural Roadside Control. (Ten-minute talks.)

Summary of laws on roadside planting.—Mrs. Junius S. Morgan, chairman of committee on landscape planning and planting, President's Conference on Home Building and Home Ownership.

Roadside planting possibilities.—Earle S. Draper, chairman of committee on legislation, American Society of Landscape Architects.

Essentials of a model wayside market.—Mrs. Henry Ford, president, Woman's National Farm and Garden Association. (Invited.)

Eliminating illegal signs from trees and barns.—Lavinia Engle, member of Maryland House of Delegates.

Symposium: Does the future promise improvement?

Why Massachusetts is leading in billboard control.—Mrs. W. L. Lawton, chairman, National Council for Protection of Roadside Beauty.

The vital points in an effective billboard law.—Albert S. Bard, counsel, National Council for Protection of Roadside beauty.

A legislator's point of view.— ——— ———.

CONDENSED

	AMERICAN CIVIC ASSOCIATION	AMERICAN INSTITUTE OF PARK EXECUTIVES	AMERICAN LEGISLATORS' ASSOCIATION
Sunday			
2 p.m.	REGISTRATION, WILLARD ROOM—FIRST FLOOR WILLARD HOTEL.		
3 p.m.	DRIVE AROUND CITY—MOTOR COACHES LEAVE HOTEL AT 3 P. M.		
6.30 p.m.	JOINT SUPPER—ALL ORGANIZATIONS—BALLROOM WILLARD HOTEL.		
8.30 p.m.	GENERAL MEETING—ALL ORGANIZATIONS— SYSTEM.		
Monday			
8 a.m.			
9 a.m.	REGISTRATION, WILLARD ROOM—FIRST FLOOR WILLARD HOTEL.		
10 a.m.	Joint session: Citizen support for planning.	Business meeting.	Session.
12.30 p.m.	JOINT LUNCHEON—ALL ORGANIZATIONS—BALLROOM WILLARD HOTEL.		
2.30 p.m.	CHOICE CITY PARK OR REGIONAL PARK TOUR.		Session.
6.30 p.m. and evening.	Round table—Wanted: A national public land policy.	Round table—Wanted: A national public land policy.	Round table—Wanted: A national public land policy.
Tuesday			
8 a.m.			
10 a.m.	Joint session: Roadside improvement.	Business session.	Joint session: Roadside improvement.
12.30 p.m.	JOINT LUNCHEON: Billboards.	JOINT LUNCHEON: Billboards.	JOINT LUNCHEON: Billboards.
2.30 p.m.	Round table: State planning.	Division meetings.	Session.
7 p.m.	JOINT DINNER—ALL ORGANIZATIONS—LARGE BALLROOM WILLARD		
Wednesday			
8 a.m.			
10 a.m.	Committee meeting on civic education.	Session.	Session.
11.30 a.m.		Trip to National Zoological Park followed by buffet lunch and choice of golf or garden trip.	
12.30 p.m.	Free.		Free.
2.30 p.m.	Free.		Free.
6.30 p.m. *Thursday*	Boat trip to Virginia National Colonial Monuments.	Boat trip to Virginia National Colonial Monuments.	Free.
Friday to Sunday	Special week-end trip to Shenandoah National Park in Blue Ridge Mountains.		

American City Planning Institute

SCHEDULE

NATIONAL ASSOCIATION OF CIVIC SECRETARIES	NATIONAL COUNCIL FOR PROTECTION OF ROADSIDE BEAUTY	NATIONAL MUNICIPAL LEAGUE
SUBJECT: PLANNING AND PARKS ESSENTIAL TO AMERICAN HOME.		
	SUBJECT: PLANS FOR THE NATIONAL CAPITAL AND ITS PARK	
Round table breakfast—Coffee Shop.	Round table breakfast—Coffee Shop.	
Joint session: Citizen support for planning.	Joint session: Citizen support for planning.	Committee meetings.
SUBJECT: CITIZEN SUPPORT FOR PLANNING AND GOVERNMENT.		
Free.	CHOICE OF TOURS.	GENERAL THEME: Paying for local government during depression. Session: Increasing demands on government *v.* declining revenues.
Free.	Round table—Wanted: A national public land policy.	Dinner and evening session: Cutting costs *v.* elimination of services.
Round table breakfast—Coffee Shop.	Round table breakfast—Coffee Shop.	
Free.	Joint session roadside improvement.	SESSION: Cutting costs *v.* elimination of services.
Free.	JOINT LUNCHEON: Billboards.	Luncheon: Planning future expenditures.
Free.	Round table: State planning.	SESSION: Unloading the politician, spoilsman, and racketeer.
HOTEL. SUBJECT: PARKS.		
Round table breakfast—Coffee Shop.	Round table breakfast—Coffee Shop.	
Free.	Free.	SESSION: Changes in the areas and functions of government.
Free.	Free.	Luncheon: Changes in structure of government and improvement of personnel.
Free.	Free.	SESSION: Changes in incidence of taxation.
Free.	Boat trip to Virginia National Colonial Monuments.	Proportional Representation League dinner.

will meet at lunch Tuesday, September 20, at 12.30 p. m.

TUESDAY: SEPTEMBER 20

10 A. M. (*2*) Business Session—American Institute of Park Executives.

(*3*) Session—National Municipal League.

Subject: Cutting costs *v.* elimination of services. (Continued.)

Presiding: Honorable Murray Seasongood, president, National Municipal League.

Speakers: What we pay for fire protection.—George W. Booth, chief engineer, The National Board of Fire Underwriters, New York City.

Cost of regulatory inspection.—Miss Edna Trull, Municipal Administration Service.

How much public recreation is essential?—Roy Smith Wallace, National Recreation Association, New York.

Discussion.

12.30 P. M. (*1*) Conference Luncheon, American City Planning Institute.

(*2*) Joint Luncheon—American Civic Association, American Institute of Park Executives, American Legislators' Association, National Council for Protection of Roadside Beauty.

Subject: Billboards.

Presiding: Mrs. W. L. Lawton, chairman, National Council for Protection of Roadside Beauty.

Speakers: "Obscenic" Scenery.—Struthers Burt.

The Public Interest is Paramount.—J. Horace McFarland, past president and chairman of roadside improvement committee, American Civic Association.

(*3*) Luncheon—National Municipal League.

Subject: Planning future expenditures.

Presiding: Honorable Murray Seasongood, president, National Municipal League.

Speakers: Planning for public works in times of depression.—Col. D. H. Sawyer, director, Federal Employment Stabilization Board, Washington, D. C.

Financing public works in times of depression.—Stephen B. Story, Rochester, N. Y.

Discussion.

2.30 P. M. (1) Round Table—American City Planning Institute, American Civic Association, National Council for Protection of Roadside Beauty.

Subject: State planning.

Presiding: Albert Shaw, Editor, Review of Reviews.

Speakers: Jacob L. Crane, Thomas H. MacDonald, Robert Whitten, Richard Lieber, Herbert Evison, and others.

(*2*) Division Meetings—American Institute of Park Executives:

(*3*) Session—American Legislators' Association.

(*4*) Session—National Municipal League.

Subject: The solution—Unloading the politician, spoilsman, and racketeer.

Speakers: Can a city government be run like an efficient private business?—C. A. Dykstra, city manager, Cincinnati.

North Carolina cleans house—Hon. O. Max Gardner, Governor of North Carolina.

What price racketeering? Breaking up the alliance between politics and crime—Gordon L. Hostetter, executive director, Employers Association, Chicago.

Discussion.

TUESDAY: SEPTEMBER 20

7.00 P. M: Joint Dinner—All Organizations.

Subject: Parks.

Presiding: Hon. Ray Lyman Wilbur, Secretary of the Interior. (Invited.)

Speakers: The part played by the participating organizations. (Three-minute responses.)

Planning points to parks.—Frederick Bigger, president, American City Planning Institute.

Citizen support for national and local parks.—Frederic A. Delano, president, American Civic Association.

Park executives administer parks.—Alfred MacDonald, president, American Institute of Park Executives.

State parks ——— ——— American Legislators' Association.

Federal City parks and the bicentennial—Dr. Cloyd H. Marvin, president, District of Columbia Commission, George Washington Bicentennial.

Civic secretaries work for parks.—H. Marie Dermitt, secretary, National Association of Civic Secretaries.

Parks lead the way in eliminating billboards.—Mrs. W. L. Lawton, chairman, National Council for Protection of Roadside Beauty.

Parks a major municipal problem.—Hon. Murray Seasongood, president, National Municipal League.

Proportional representation will promote parks.—Prof. A. R. Hatton, president, Proportional Representation League.

PARK PROBLEMS IN ADMINISTRATION

The relation of park administration to general government.—Louis Brownlow, director, Public Administration Clearing House.

How Westchester County manages its parks.—Jay Downer, chief engineer, Westchester County Park Commission.

National Park Service administers the national parks for the use and enjoyment of the people.—Horace M. Albright, director, National Park Service.

WEDNESDAY: SEPTEMBER 21

8 A. M. (*1*) Round Table Breakfast—National Association of Civic Secretaries. Coffee Shop, Willard Hotel.

(*2*) Round Table Breakfast—National Council for Protection of Roadside Beauty. Coffee Shop, Willard Hotel.

WEDNESDAY : SEPTEMBER 21

10 A. M. (*1*) Committee Meeting—American Civic Association: Civic education.

(*2*) Session—American Institute of Park Executives.

(*3*) Session—American Legislators' Association.

(*4*) Session—National Municipal League.

Subject: The solution—Changes in areas and functions of government.

Presiding: Hon. Murray Seasongood, president, National Municipal League.

Speakers: What constitutes a community for purposes of government?—Herman Finer, London School of Economics and Political Science.

Possibilities of regional government.—Thomas H. Reed, professor of political science, University of Michigan, Ann Arbor, Mich.

Adjustment in functions between city and county.—Emmett L. Bennett, director of Municipal Reference Bureau, University of Cincinnati.

Discussion.

11.30 A. M. Trip to National Zoological Park—American Institute of Park Executives, open to any members of the joint conference.

12.30 P. M. (*1*) Buffet Luncheon in National Zoological Park.

(*2*) Luncheon—National Municipal League.

Subject: The solution—Changes in structure of government and improvement in personnel.

Speakers: Samuel Seabury, counsel, Hofstadter Legislative Investigating Committee, New York. (Invited.)

George McAneny, president, National Civil Service Reform League.

Discussion.

2. 30 P. M. (*1*) Following zoo luncheon choice of Golf or Garden Trip.

(*2*) Session—National Municipal League.

Subject: The solution—Changes in the incidence of taxation.

Presiding: Hon. Murray Seasongood, president, National Municipal League.

Speakers: Taking the burden from real estate.—Robert Murray Haig, professor of political economy, Columbia University, and president of National Tax Association.

Taking the burden from improvements and personal property.—Harold S. Buttenheim, editor, The American City.

Undeveloped sources of municipal revenue.—F. L. Bird, assistant director, Municipal Administration Service, New York.

A taxpayers' association in action.—A. C. Rees, executive secretary, Utah Taxpayers' Association.

6. 30 P. M. (*1*) Dinner—Proportional Representation League.

Subject: Proportional representation.

Presiding: Prof. A. R. Hatton, Northwestern University, president of Proportional Representation League.

Speakers: To be announced.

WEDNESDAY : SEPTEMBER 21

6. 30 P. M.	(*2*) Boat leaves Seventh Street Wharf for Old Point Comfort and trip to Virginia national monuments. Half an hour should be allowed by taxi from the Willard Hotel to the wharf. Dinner will be served on the boat.

THURSDAY : SEPTEMBER 22

7 A. M.	**Breakfast** served on boat at Old Point Comfort.
8. 30 A. M.	Motor coaches leave Old Point Comfort to visit Yorktown, Jamestown, and Williamsburg.
12. 30 P. M.	**Luncheon** at Williamsburg followed by inspection of the restoration.
4 P. M.	Leave Williamsburg for Wakefield, birthplace of George Washington.
6 P. M.	**Buffet Supper** at Wakefield.
10 P. M.	Arrive in Washington.

FRIDAY : SEPTEMBER 23

1. 30 P. M.	Leave Washington by automobile for Shenandoah National Park.

From Friday afternoon, September 23 to Sunday, September 25, midday dinner, the time will be spent in inspecting the Shenandoah National Park. The party will stay at Skyland, on top of the ridge. It is planned to reach Washington by 8 P. M. Sunday, September 25.

OFFICERS OF PARTICIPATING ORGANIZATIONS

American City Planning Institute.

President: Frederick Bigger.
Vice president: Jacob L. Crane, jr.
Secretary: Flavel Shurtleff.

American Civic Association.

President: Frederic A. Delano.
First vice president: J. C. Nichols.
Treasurer: George W. White.
Executive secretary: Harlean James.

American Institute of Park Executives.

President: Alfred MacDonald.
Vice president: G. Champion.
Treasurer: E. H. Bean.

American Legislators' Association.

President: William B. Belknap.
First vice president: Dr. George Woodward.
Director: Henry W. Toll.

District of Columbia Commission, George Washington Bicentennial.

President: Cloyd H. Marvin.
Executive vice president: George C. Havenner.
Treasurer: John Poole.
Secretary: Mrs. Philip Sidney Smith.

National Association of Civic Secretaries.

President: Harold S. Buttenheim.
Vice president: W. P. Lovett.
Secretary: H. Marie Dermitt.
Treasurer: Louise C. Morel.

National Council for Protection of Roadside Beauty.

Chairman: Mrs. W. L. Lawton.
Secretary: Mrs. C. Oliver Iselin.
Treasurer: Harold A. Caparn.
Counsel: Albert S. Bard.

National Municipal League.

President: Murray Seasongood.
First vice president: Louis Brownlow.
Treasurer: Carl H. Pforzheimer.
Secretary: Russell Forbes.

Proportional Representation League.

President: Augustus R. Hatton.
Treasurer and honorary secretary: C. G. Hoag.
Executive secretary: George H. Hallett, jr.

TOUR OF THE NATIONAL COLONIAL MONUMENTS AND WILLIAMSBURG

A boat and motor-coach tour of the National Colonial Monuments, including Yorktown, Jamestown, and Wakefield, and of Williamsburg, has been arranged through the courtesy of the National Park Service for the members of the conference. Horace M. Albright, director of the National Park Service, will travel with the party. The boat, *District of Columbia*, will leave the Seventh Street wharf at 6.30 P. M., Wednesday, September 21. Reservations should be made as soon as possible by notifying the secretary of the conference, 901 Union Trust Building, Washington, and tickets should be claimed and paid for at the registration desk, not later than Monday night, September 19. There are 112 outside and 26 inside staterooms which will be assigned in the order in which reservations are received. The cost of the trip, including boat fare, stateroom, Wednesday dinner and Thursday breakfast on boat, coaches from Old Point Comfort, Virginia, to Washington, lunch at Williamsburg, and supper at Wakefield, is estimated to be $15 to members of the conference.

SPECIAL WEEK-END TRIP TO SHENANDOAH NATIONAL PARK

Special arrangements have been made by Director Albright of the National Park Service for those who wish to spend the week-end, Friday, September 23 to Sunday, September 25, exploring the new Shenandoah National Park. Local members of the American Civic Association, the American Institute of Park Executives, and of the Potomac Appalachian Trail Club will furnish transportation in their cars. Friday and Saturday nights will be spent at Skyland, on the crest of the Blue Ridge Mountains. Hiking, riding, and driving trips will be arranged to meet the desires of all. Reservations should be made in advance of the conference by notifying the secretary at 901 Union Trust Building, Washington, and confirmed at the registration desk before Wednesday, September 21 at 6 P. M. The cost will not exceed $10.

HEADQUARTERS

The headquarters of all the organizations will be at the Willard Hotel, corner of Fourteenth Street and Pennsylvania Avenue. All sessions will be held in the hotel, with the exception of the Sunday evening session, September 18.

ROOM RESERVATIONS

Special rates have been quoted to members of the conference. Room reservations should be made directly to the hotel and should state accommodations desired, price and time of arrival, and should indicate attendance at the Bicentennial Conference on Planning, Parks, and Government.

Rates:	Single rooms with bath	$3.50 and $4
	Double rooms with bath and double bed	$5
	Double rooms with bath and twin beds	$6 and $7

Rooms may also be had at the Washington Hotel in the same block and at the Raleigh Hotel, two blocks away on Pennsylvania Avenue. Other hotels in the city include the Mayflower on Connecticut Avenue at L Street; the Powhatan, Pennsylvania Avenue at Eighteenth Street; the Lafayette at Sixteenth and I Streets; the Carlton, Sixteenth and K Streets; and the Dodge (near Union Station) on D Street near North Capitol.

Estimated cost of room, meals and registration, Sunday afternoon to Wednesday afternoon	$25.00		
Estimated cost of Virginia trip, Wednesday evening to Thursday evening	15. 00		
		$40. 00	
Estimated cost of trip to Shenandoah National Park, Friday to Sunday		10. 00	
		50. 00	

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CONTENTS FOR OCTOBER

EDITORIAL COMMENT .... *H. W. Dodds* 585
HEADLINES .... *Howard P. Jones* 587
SAINT PAUL'S FAIR WAGE SYSTEM .... *Carl P. Herbert* 589
BARGAINING FOR UTILITY RATE REDUCTION .... *John Bauer* 592
PARTY CONTROL AND ELECTION COSTS IN OHIO . *Raymond C. Atkinson* 595
COUNTY CONSOLIDATION IN GERMANY .... *Roger H. Wells* 598
WHAT MUNICIPAL HOME RULE MEANS TODAY
IX. Wisconsin .... *Frederick N. MacMillin* 601

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 606
II. Recent Books Reviewed 610
III. Municipal Activities Abroad .... *Edited by Rowland A. Egger* 614
IV. Notes and Events .... *Edited by H. W. Dodds* 618

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals* and in *Public Affairs Information Service* and by the *Engineering Index Service*

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THE LEAGUE'S BUSINESS

Thirty-eighth Annual Meeting.—The thirty-eighth annual convention was held at the Hotel Willard, Washington, on September 19, 20 and 21. The attendance was much smaller than in previous years, but those present were treated to a rare excellence in the program. The speakers, without exception, had carefully prepared their remarks. The entire program, centering on the general theme of "Paying for Local Government During Depression," was well received by those at the convention, and was accorded nation-wide publicity by the press. A number of the leading addresses delivered at the convention will appear in subsequent issues of the NATIONAL MUNICIPAL REVIEW.

The officers held two meetings during the convention to discuss routine organization matters and to plan for curtailment of expenditures to cope with the present financial crisis.

During the meeting several committees of the National Municipal League held one or more sessions. The Committee on New Municipal Program met and gave final consideration to the galley proof of the new edition of the *Model City Charter.* The Committee on Constructive Economy in Government held two sessions and made considerable progress in its plans for a report on this subject. The National Committee on Municipal Reporting, organized by the National Municipal League several years ago, met during the convention to consider a future work program. The Committee on Model Administrative Code and the Committee on Proportional Representation also held meetings for discussion of their work.

The annual business meeting was held on the forenoon of September 20. Howard Strong, as chairman of the Committee on the Revision of the Constitution, recommended that the constitution be revised along the lines listed on this page in the August issue. The recommended revisions were adopted and the revised constitution will either be published in a forthcoming number of this magazine, or will be distributed upon request in mimeographed form to the membership. The report of the Committee on Nominations, headed also by Howard Strong, was accepted and the following officers were elected:

President, Murray Seasongood, Cincinnati; *First Vice-President,* Louis Brownlow, Chicago; *Second Vice-President,* Mrs. F. Louis Slade, New York; *Honorary Vice Presidents,* Henry J. Allen, Wichita, Kansas; Charles A. Beard, New Milford, Conn.; H. L. Brittain, Toronto; Harry F. Byrd, Winchester, Va.; Frederic A. Delano, Washington, D. C.; Samuel S. Fels, Philadelphia; John M. Gries, Washington, D. C.; A. R. Hatton, Evanston, Ill.; John R. Haynes, Los Angeles; Frank O. Lowden, Oregon, Ill.; C. E. Merriam, Chicago; W. B. Munro, Pasadena; Frank L. Polk, New York; Thomas H. Reed, Ann Arbor, Mich.; Chester H. Rowell, Berkeley, Cal.; Samuel Seabury, New York; Miss Belle Sherwin, Washington, D. C.; Silas H. Strawn, Chicago; A. Leo. Weil, Pittsburgh. *Council*: Harold S. Buttenheim, New York; Mayo Fesler, Cleveland; Raymond V. Ingersoll, New York; Morris B. Lambie, Minneapolis; William P. Lovett, Detroit; Mrs. Virgil Loeb, St. Louis; Henry L. Shattuck, Boston; C. O. Sherrill, Cincinnati; Henry M. Waite, Cincinnati; Morton L. Wallerstein, Richmond, Va.

At this business meeting the Honorable Murray Seasongood, president, gave a report on his first year as head of the organization. The report of the secretary, covering the work of the office from November 1, 1931 to September 1, 1932, was distributed in mimeographed form. This report is now available to members upon request.

* * *

National Municipal League Represented Before Election Law Revision Committee.—Albert S. Bard of New York City, a prominent member of our Committee on Election Administration, represented the National Municipal League at a meeting of the New York State Committee on the Revision of the Election Law held in the Municipal Building, New York City, on August 19. At this meeting Mr. Bard presented the recommendations of the National Municipal League on registration and election procedure.

* * *

President Seasongood Contributor to The American Scholar.—The March issue of *The American Scholar,* the official publication of Phi Beta Kappa, contained an article by Murray Seasongood, president, on "George Washington and Political Parties." Reprints of this article are available, upon request, from the secretary's office.

RUSSELL FORBES, *Secretary.*

Editorial
Comment
✤
October

NATIONAL
MUNICIPAL REVIEW

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The finest piece of work the fire department can do is to make itself unnecessary, declared City Manager C. A. Dykstra of Cincinnati in a speech to the six men who ranked highest in the recent civil service examinations for fire captain. We agree heartily, but are appalled by the number of governmental services to which the same truth applies.

Harris S. Keeler, for many years the director of the Chicago Bureau of Public Efficiency and more recently of the combined Civic Federation and Bureau of Public Efficiency, died suddenly on August 21 from heart disease. To REVIEW readers Mr. Keeler was well known. His life was dedicated to the struggle against official incompetency, dishonesty and wasteful public expenditures. We quote from an editorial in a Chicago newspaper which fittingly describes Mr. Keeler's peculiar contribution to governmental progress:

> Mr. Keeler possessed exceptional qualifications for his difficult position. He was no narrow expert; his approach to governmental problems was broad and enlightened. He had exceptional good sense, as well as knowledge of the field in which he worked. He was fair and rigorously accurate. He worked with, not against, the public agencies he sought to enlist in the movement for constructive reform.

Asserting that slum conditions are demoralizing to slum inhabitants and destruction of property values, Cleveland's Council Committee on Housing recommends legislation to authorize limited dividend housing corporations along the lines of New York's law. This will enable Cleveland to borrow money from the R. F. C. to clear her slums. The committee further called upon banks, architects, engineers, builders, real estate owners, social workers and school authorities to coöperate in formulating plans for large scale housing projects. Ernest J. Bohn is chairman of the committee which drafted the report.

*

Jimmy Walker Resigns Announcing that he was being outraged by the unlawful acts of Governor Roosevelt, Jimmy Walker resigned as mayor of New York City as the hearings on his removal were nearing their end, and thus abruptly terminated the long struggle to evict him from office. The former mayor's conduct throughout the proceedings, as well as that of his counsel, did much to strengthen popular belief in his guilt, and it is generally accepted that his promise to seek vindication at the next election will not be fulfilled. His boast that he had met his accusers and disproved their charges and his hysterical tirades against the governor served only to lower him further in popular esteem. Governor Roosevelt's attitude at the hearings was above criticism, but as the proceedings progressed it became clear that he could do nothing else than remove Walker.

Borough President Joseph V. McKee immediately succeeded to the mayoralty and at once began what promises to be a severe policy of retrenchment. To date his economies have been dramatic rather than devastating. His prompt saving of $50,000 by taking the contract for printing the November ballots away from an old Tammany favorite was almost a stroke of genius.

It has been said that Mayor McKee did more in two weeks to discredit the administration of Jimmy Walker than Judge Seabury had accomplished in two years. While this overlooks the real force of the careful and constructive work of the Seabury investigation, it is true that Mayor McKee's actions have stirred a rather jaded populous measurably weary of Judge Seabury's ponderous outgivings. But Judge Seabury laid the net in which Walker entangled himself, and had his investigation not been so thorough and conclusive the latter would still be New York's chief executive.

At this writing it has not been determined whether Mr. McKee is mayor of New York or only acting-mayor; whether he will serve out the full unexpired term or whether a new election will be ordered in November. The question is now before the courts for decision. Mayor McKee has long held the respect of many influential New Yorkers and will be a formidable candidate for election to the mayor's office, whether Tammany continues hostile to him or not.

*

Two Counties Adopt Modern Personnel Systems On September 12 the board of supervisors of Westchester County, New York, adopted a re-classification and salary standardization plan for 2500 employees, and directed that the titles and schedules of pay set forth be used in the preparation of the 1933 budget. The board also adopted personnel rules to govern the service and appointed a personnel officer to administer them. The New York state civil service commission will act as the recruiting agency, but it is to be supposed that it will lean heavily upon the county personnel officer. The new salary scale is not to apply to employees who have been in the service for 10 years or more and whose present rates of pay are above the proposed maxima. The present salaries below the minima established by the scale are to be increased to the minima if funds are available.

The Westchester County Park Commission, whose accomplishments are famous throughout the United States, operates as an independent administrative unit, although under funds appropriated by the board of supervisors. The supervisors, therefore, did not vote titles and schedules for the park commission, but referred a plan to them for study. It is expected that the park commission will act on the recommendations in the near future. The Bureau of Public Personnel Administration, Fred Telford, director, acted as consultant in the preparation of the reclassification plan.

Hamilton County, Ohio, has also joined the list of counties with an organized personnel system, the county commission having recently appointed a personnel officer, at a salary of $4,000, who will handle all the personnel work, including recruitment. The appointment of the officer followed the adoption of a salary standardization and classification plan. The Bureau of Public Personnel Administration and the Cincinnati Bureau of Municipal Research acted as consultants.

The personnel lay-out for both counties represents the most advanced thought in civil service circles and closely resembles the provisions of the forthcoming new edition of the National Municipal League's *Model City Charter*.

HEADLINES

Trust the politicians to be on the job when ordinary citizens can't find money to finance campaigns! Niagara Falls, New York; East Cleveland and Lima, Ohio, all have elections this fall to decide whether the manager plan will be thrown out. If the plan survives a time when folks are voting their economic discontent, that is real testimony to the hold it has obtained.

* * *

More than a billion dollars reduction in assessed valuation has been the bitter medicine gulped down by Detroit in the last two years. Realtors there were so enthusiastic in the boom period they had enough business lots set aside to serve a population of 60,000,000.

* * *

But somebody still has money—or they're traveling just one jump ahead of the sheriff in California where gasoline taxes collected were two per cent greater during the first five months of 1932 than 1931. This is good news for California counties which depend heavily upon receipts from the gas tax.

* * *

Several nation-wide organizations of taxpayers have been launched within the past few months. The latest, which appears off to a good start, is the National Council of Taxpayers' Associations, with A. C. Rees, secretary of the Utah Taxpayers' Association, as its directing genius.

* * *

Consolidation of the 77 counties of Oklahoma into 20 would save approximately $18,000,000 a year, according to the Chamber of Commerce of Oklahoma. Abolition of townships and consolidation of school districts would save another $3,000,000, it is estimated.

* * *

Four Virginia counties have rejected at special elections the Byrd plan by which state government would take over responsibility for construction and maintenance of all county roads. The plan goes into effect in all other counties of the state.

* * *

Chicago school teachers are receiving salary cuts by economic law instead of municipal ordinance. School tax anticipation warrants recently dropped to 72 cents on the dollar after the Board of Education handed over another $6,000,000 worth to 14,000 teachers as remuneration for last year's work.

* * *

Real estate in Virginia is carrying a lighter tax burden than anywhere else in the country, according to Dr. William H. Stauffer, state tax economist.

Profit of almost a million dollars will have been made in 1931 by Richmond's municipally owned and operated public utilities, according to seven-month estimate by the director of utilities. Page Samuel W. Insull!

* * *

Only 53 per cent of Cook County's 1930 taxes have been paid despite repeated postponements of the delinquency date.

* * *

Abolition of the city planning and zoning commissions of Philadelphia is one of the "economy measures" adopted by Mayor Moore who has transferred the personnel of these commissions to the bureau of engineering and surveys in the department of public works.

* * *

A cut of $70,000,000 in the assessed valuation of Boston has made necessary a jump of $4 in the tax rate which brings it to $34 per thousand assessed valuation. Mayor Curley is appealing to the state government for further financial aid.

* * *

The expenses of legislative bodies are ordinarily overlooked in movements for economy in government. The state of Arizona is an exception, for membership in the lower house would be reduced more than 60 per cent and costs cut more than $40,000 annually under the proposed constitutional amendment for which petitions are now being circulated to put the proposition on the ballot in November. The salaries of legislators would be chopped from $15 to $8 per day.

* * *

A proposed amendment to the Ohio constitution, which was the hope of those who wished to see improvement in county government brought about in that state, will not go on the ballot this fall. When the signatures of the petition were counted at the state capitol, it was found the sponsors were short 22,000 names of the 196,000 needed.

* * *

A year's relief from taxes for faithful taxpayers has been voted by the city council of Marshallville, Georgia. A check of back taxes revealed there was ample on the books to run the municipality through 1933 if a fair percentage could be collected.

Howard P. Jones.

Saint Paul's Fair Wage System

FALLING prices have not disturbed St. Paul's system of adjusting wages to the cost of living index

BY CARL P. HERBERT

St. Paul Bureau of Municipal Research

TODAY between three and one-half and four million public employees are wondering what is going to happen to their incomes. Will they remain at the prosperity peak, or will they be reduced below depression rates? Will there be cuts either directly through reduced scales or indirectly through lay-offs without pay? Will the governmental units be able to meet their payrolls throughout the year, or will tax delinquencies be so great that lay-offs will be necessary? As a result of this uncertainty many employees have organized to prevent reductions in salaries.

Taxpayers also are wondering what is going to happen to the income of this large army of civil employees. Since not less than sixty per cent of the average operating budget goes to compensation, they realize that no substantial tax reductions can be brought about unless salaries and wages are lowered. So taxpayers, organized to decrease the tax burden, have included in their program the reduction of salaries.

Thus on the one hand is the public employee attempting to maintain his salary at its highest level; on the other hand is the belligerent taxpayer demanding tax reduction with its corollary, wage reduction. In between is the harrassed salary-fixing body which is seeking a system for payment of public employees mutually satisfactory to the employee and the employer, the taxpayer.

AN AUTOMATIC WAGE ADJUSTOR

During the past ten years the city of Saint Paul has been operating under a wage payment system that commends itself alike to those groups, whether taxpayers, civil employees, or legislators, who are attempting to find a permanent way out of the wage adjustment problem. It has placed salary adjustments on a fair basis, taken salary fixing out of politics, and satisfied both the taxpayers and the classified service of the city as to its fairness. Its history is of sufficient duration to demonstrate its practicability.

Previous to 1922 this city, with about two thousand employees in its classified service, had a chaotic salary scheme similar in many respects to that in effect in most of our governmental units today. Each of the six departments of the commission government was a power unto itself so far as the salaries of its staff were concerned. Each had its own administrative ordinance to fix its salary schedules. Inequalities were obvious in such a plan and these led to a general breakdown in the morale of the city service.

As a way out of the confusion, the civil service bureau sought a basis upon which to build a permanent salary structure. Careful study convinced

Civil Service Examiner J. B. Probst that this basis could be found in the cost of living. At his suggestion the council adopted an ordinance providing for annual adjustment of salaries upon a cost of living basis. As this cost increased, salaries were to go up; as it decreased, salaries were to come down. The first essential of such a scheme necessarily was that the base should be sound. As described by Mr. Probst:

> The year 1916 was taken as a base because, so far as could be learned at the time, the consensus of opinion among leading economists was that the level of prices would return, not to a pre-war basis, but in all probability to the level that prevailed in 1916. The basic minimum rate is the salary that, under conditions such as prevailed in 1916, was deemed fair and equitable for the class or group of positions to which the rate is applied. To this basic rate was then added a percentage increase for the purpose of ascertaining the proper rate of pay for the year 1922, when the plan was adopted.
>
> The percentage increase was determined by calculating the increase in the cost of living for the average family in 1922 over the cost in 1916, as shown by the index numbers published by the United States Bureau of Labor Statistics. The full percentage increase, however, is only allowed to the lower paid employees, and this on the popular theory that the higher-ups are not affected so seriously by a rise in the cost of living. The standardization then provides that adjustments shall be made in June of each year and that these adjustments shall be based on the latest available statistics secured by the labor bureau through its periodic cost-of-living surveys.[1]

At present there are 27 standard rates which apply to the entire classified civil service. The ordinance containing these rates is drawn in such a way that salaries cannot be fixed for individual positions, but must apply to all of the positions listed within a grade.

A FAIR BASE DEMONSTRATED BY EXPERIENCE

The base upon which the salary structure is built has proven through experience to be fair. The salary rates as fixed in October, 1922, continued in force until July, 1924, when responding to the ascending curve of living costs the salaries went up two points. There was no further adjustment until January 1, 1927, when the employees received the benefit of another one point advance in the living index. These adjustments, however, were in favor of the employee and obviously no test of the system had yet been witnessed. No objections to the increases were offered by the taxpayers and the increases were routine business. The employees who willingly accepted the increases showed their respect for the contract on two later occasions when with apparent equal willingness they took reductions.

One downward adjustment incidentally was made in so-called prosperous times. The first, three points on January 1, 1928, brought the salaries back to the plane of 1922. The next, on January 1, 1931, reduced the adjusted percentage three points under that of 1922.

Not until the summer of 1931 immediately before budget-making time did any apparent opposition to the system develop. A group of employees convinced a majority of the council that no adjustment should be made in 1932, basing their plea for a moratorium upon the request of President Hoover that salaries in private business be maintained at their current level. Definite information from the bureau of labor statistics was not available at the time, but when it was published it was shown that the adjusting percentage for the city salaries would have been nine points downward. Converted into a percentage of maximum salaries this meant actual reductions of four to five per cent on the majority of positions.

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[1] For a detailed description of this plan, see *St. Paul Adopts a Stabilized Wage*, by John B. Probst in the October, 1926, NATIONAL MUNICIPAL REVIEW.

ADJUSTMENTS DOWNWARD

More recent developments in the fiscal affairs of the city pointing toward increased tax delinquencies for the current year, however, forced the reopening of the salary question and the council voted to reinstate the cost of living ordinance with its attending reductions, effective June 1, 1932. Data from the June survey of the bureau of labor statistics show that on January 1, 1933, the salaries will be reduced another ten points, or approximately 5 per cent of the rates actually paid. The working of this wage system is shown in the following table:

TABLE SHOWING WAGE ADJUSTMENTS IN TYPICAL EMPLOYMENTS

Monthly entrance salaries as of January 1.

Position	Basic Entrance Salary as of 1916	1922 to 1924	1924 to 1927	1927	1928 to 1931	1931 to June, 1932	June, 1932	January, 1933	
								Adjusted Entrance Rate	Maximum Rate (2)
Junior Clerk	$50.00	$75.00	$76.00	$76.50	$75.00	$73.50	$69.00	$64.00	$94.00
Senior Clerk-Stenographer ...	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40
Janitor	60.00	90.00	91.20	91.80	90.00	88.20	82.80	76.80	106.80
General Library Assistant	70.00	105.00	106.40	107.10	105.00	102.90	96.60	89.60	119.60
Assistant Civil Engineer	150.00	199.50	201.00	202.50	199.50	196.50	187.50	177.00	222.00
School Nurse	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40
Paving Inspector .	100.00	142.00	144.00	145.00	142.00	139.00	132.00	124.00	154.00
Junior Accountant	125.00	172.50	175.00	176.25	172.50	170.00	161.25	152.50	190.00
Patrolman	90.00	131.40	133.20	134.10	131.40	128.70	121.50	113.40	138.40
Playground Director	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40

(2) Maximum rates that may be paid to persons in the positions listed, as determined by length of service.

SATISFACTORY TO ALL

The adjustment of city salaries on a cost of living basis has stood the acid test of substantial downward revisions. No further opposition to it is anticipated from city employees. Today they realize the value of a contractual relationship that imposes a moral obligation upon the citizenship to pay the rates scientifically computed. They see other cities making drastic, arbitrary, horizontal cuts and even deferring salary payments. They need not fear that this will take place in Saint Paul. They also know that when times get better their salaries will automatically follow the upward curve instead of lagging far behind, as history has shown will be the case in most private and public businesses. Then, too, the real purchasing power of the employees is kept constant.

The councilmen like this system because it eliminates the periodical bickerings attendant upon salary revision. It has not been necessary in ten years to revise the salary schedules.

The taxpayers like this system because public salaries are based on their ability to pay the bill.

Above all, the reason why all of these groups like this scheme is because it is based upon fairness to the employer, the taxpayer, the councilmen and the city employees. It seems altogether likely that the Saint Paul system of wage adjustment is the answer to the prayers of vexed officials elsewhere. It is an idea which merits the investigation and consideration of all salary-fixing bodies.

Bargaining for Utility Rate Reduction

BARGAINING may offer limited relief from cumbersome regulation but the police power must always be ready for use

BY JOHN BAUER

American Public Utilities Bureau

PUBLIC utility rate adjustments, whether upward or downward, are difficult to make under the established system of regulation. The process is cumbersome, and rate cases, at best, have been far from satisfactory from the public standpoint. They have involved too much time, expense, cross-purposes, and guess-work. The system is admirably designed to block regulation and to defeat the larger purposes for which the commissions were established.

What is needed is a definite cost system so that the aggregate revenues to which a company is entitled can be quickly determined by simple accounting analysis. So far as is practicable, the costs should be sub-divided by different consumer groups to correspond with the rate schedules. Until rate-making has been placed upon a cost accounting basis, the procedure is bound to be unwieldy and the results unsatisfactory.

Under these circumstances, and in view of the rapidly declining costs during recent years, there has developed increasing discontent with cumbersome rate proceedings. The public has demanded, and the commissions have been eager to make all possible short-cuts and to give the public the benefit of prompt rate reductions, without going into time-consuming rate cases which might postpone the realization of lower rates indefinitely, and would involve large costs for the companies and the public.

THE PLACE OF NEGOTIATION

Among the expedients resorted to, has been the process of *negotiation* between the commissions and the companies for the purpose of agreeing upon reductions that the companies will put into effect voluntarily. The commissions usually have available much of the information that is necessary to indicate the extent that reductions should be made. By cross-table discussion, formalities and trivialities can be avoided, the essential facts presented, the different views debated, and a reasonable result reached without the cumbersome, time-consuming, and expensive procedure of a formal rate case.

The method looks good on paper, and sounds attractive. It makes a strong appeal; but its effectiveness depends upon the special circumstances of each case. As yet we have not had enough concrete experience to make possible satisfactory comparison of results. There is danger that the gains to the public are exaggerated and that greater rights are sacrificed in the interest of a favorable showing.

There is no doubt that bargaining has its place in our system of regulation so long as the elements entering into rates are so uncertain, and variable. It is impracticable for a commission to rush into rate cases on a wholesale scale. No commission ever has had an adequate engineering and accounting force to carry on simultaneously numerous valuations and accounting studies. The number of detailed cases must inevitably be limited at any one time. Unless a more or less critical situation arises, rates have been left unchanged, and to a large extent regulation has gone by default because of the unmanageable system.

A commission should, of course, make every practicable effort to bring about rate revisions without formal rate cases. Particularly during the present period of economic distress, informal efforts should be exerted energetically to effect all reasonable reductions. Where prices and purchasing power have fallen enormously, where the property valuations manifestly have declined greatly, and where rates are plainly excessive, the commissions should resort to negotiation to obtain prompt relief to consumers. Formal cases should be reserved to instances where justification is greatest and where the results to be effected are maximum.

The success to be expected through negotiation, depends upon the commission's bargaining power. The very fact that formal rate proceedings are unwieldy, reduces the commission's bargaining position, and augments the company's. The latter, of course, will declare its eagerness to do everything possible for the consumers, and to reduce rates consistent with proper service and fair return to the investors. But it will nevertheless realize its strategic position and naturally will not yield more than necessary under the circumstances.

The unyielding position of a company must be regarded as natural and virtually inevitable. It cannot be condemned for standing upon its rights and not sacrificing more than necessary under the exigencies of the situation. In some instances, the management may be especially public spirited and long headed, and go further than actually compelled by immediate circumstances. For the most part, however, the companies will probably hold to the highest rates that they can retain, and make only slight concessions, with much ado and exaggeration of what is actually done for the consumers.

That there should be substantial residential rate revisions in most communities, there can be no doubt. For the most part, however, the voluntary reductions during the past year, based on negotiation, have seldom amounted to more than a fraction of a cent per kilowatt-hour, and often produced an increase in bills to the ordinary and small users. The net results up to date have brought little advantage to the consumers and have left the rate schedules as a whole almost as unsatisfactory as before.

FIRMNESS BY THE COMMISSION

To produce satisfactory results, negotiation in any case must be supported by firmness on the part of the commission. If it makes clear, as unfortunately has been done in some instances, that it is conscious of its helplessness and that it will go to almost any extremity to avoid entering into a rate case, it destroys its bargaining position, and invites the companies to take advantage of the situation.

Negotiations can succeed measurably from a public standpoint only if the commission is well armed with facts, and has a clear policy to be carried out. If it presents its position in a definite and determined manner and makes plain that it will exercise its sovereign power if the company does not accept rates which are manifestly reasonable, then moderately satisfactory adjustments may be achieved in many instances. Success in one case, adds to its strength of position and to the practical force that can be exerted on other companies. There must be constantly visible, however, the regulatory power of the state, indicating what the commission can and will do as an agency of the state, if the company is not reasonable.

It is the duty of the commission to fix reasonable rates. This responsibility is a serious one, and should not be avoided with easy-going considerations as to practicability. No commission should ever bargain away public rights. If reasonable rates can be obtained through negotiation, well and good; if not, and if the rates are plainly excessive, then the commission's duty is to reduce them in its sovereign capacity. But, of course, it should also be enabled to carry out its duties through adequate appropriations for its work.

SHORT-CUTS IN PROCEDURE

While negotiations may be employed as a substitute for the cumbersome statutory process, there are also expedients available to a commission in simplifying and shortening the procedure in a rate case.

Where the facts are plain, the commission is not required under any of the statutes to go to rediculous lengths in valuations, or to permit a company to waste time in piling up useless details. A company must, of course, be given its day in court, with a reasonable opportunity to present its side, but the commission does not need to permit the defeat of its public responsibility by following methods which lead to defeat.

In most instances, if the commission knows what it is about, it has available data, and can build up a record quickly to justify rate reductions that manifestly should be made. There are records, for example, on fixed capital, extent of the property, operating expenses, and changes in price level. There are also unit cost standards for various classes of property based upon previous cases and studies.

A company has, of course, its constitutional right to appeal from an order of the commission. It is, therefore, necessary to have a record that will stand the scrutiny of common sense. If the company does appeal, the commission then has its day in court to justify what it has done. It should not be deterred from its duty by the possibility of appeal and defeat in the courts. It should be just to the company, and should then be courageous in the defense of the public.

THE WISCONSIN METHOD

As to what can be done through practical expedients, has been shown by the Wisconsin commission during the past year. For example, in dealing with the Wisconsin Telephone Company, which operates virtually state-wide, the commission did not run away from a rate case; but it did use common sense in planning the proceeding. In a period of eleven months it succeeded in building up a record upon which it ordered a reduction of 12½ per cent in all local exchange rates through the state. This was, moreover, a temporary and not a final order. No physical valuation was made. The needed return was based upon investment analysis. The commission issued its order upon what it considered an adequate record under the circumstances of the case. It is to be seen what the company will do as to appeal, and if it appeals, what the courts will do in dealing with the situation as presented by the commission.

It is interesting to note that the Wisconsin commission in its effort to establish effective short-cuts in procedure, has instituted a noteworthy practice before the courts. Members of the commission itself have appeared before the courts to present and explain what is involved in the cases, to show why the decisions were made.

Party Control and Election Costs in Ohio

In Ohio cities it costs more than one dollar per vote to poll the sovereign will of the people. It is almost a racket

BY RAYMOND C. ATKINSON

The Ohio Institute

Ohio election administration furnishes an extreme example of high costs, party domination, and inadequate budgetary control. Not only has the choice of the local election authorities practically been vested by law in the county organizations of the two major parties, but they have been accorded an unusually free reign in the expenditure of public funds. Though Ohio has a compulsory local budget law, it has never been applied effectively to the election system. Boards of elections have been virtually their own masters in determining the scale of election expenses.

How has this situation affected election costs? A recent study, made by The Ohio Institute, throws considerable light on this question.[1] This study shows expenses of more than one dollar per vote cast in all the large cities of the state in 1930, excluding expenditures for booths and equipment. Cleveland spent $1.09 for every voter who went to the polls; Cincinnati, $1.22; Columbus, $1.32; and Toledo, $1.42, in spite of the fact that the 1930 vote was unusually heavy for a non-presidential year.[2] By comparison, the average cost over the preceding four-year period was only 81 cents in Detroit, 72 cents in St. Louis, 51 cents in Milwaukee, and 36 cents in Minneapolis. While such comparisons are necessarily affected by basic differences in election systems, such as the use of annual or permanent registration, it is evident that election costs in Ohio cities are grossly excessive.

WHY COSTS ARE HIGH

A number of factors have contributed to the high scale of election expenditures in Ohio cities. The most important has been the small size of the voting precinct. Prior to 1930, the salaries of members of boards of elections were determined by the number of precincts in their counties. Naturally, this tended to inflate the number of precincts. Where the median vote per precinct in the eight largest Ohio counties was only 196 in November, 1930, it was 292 in twenty non-Ohio cities of the same population group using paper ballots. A similar comparison based on the vote cast in the 1928 presidential election, which probably is less affected by differences in local interest, shows a median vote of 298 per precinct[3] in the eight Ohio counties as against 479 in the non-Ohio cities. Fortunately, this situation is being gradually rectified. The last two sessions of the legislature have progressively raised the legal standard of precinct size from 250 to 400 voters, using the vote in presidential elections as the measure. However, this standard has not as yet been fully applied by the local authorities.

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[1] The Ohio Institute, *Election Costs in Ohio and How They Can be Reduced.*

[2] These expenses were somewhat affected by the introduction of permanent registration in 1930, but not sufficiently to alter their significance.

[3] This figure represents the quotient of the 1928 vote divided by the number of precincts existing in 1930 in the case of the Ohio counties, in order to take into account the substantial increase in precinct size since 1928.

Ohio cities have also occupied a bad eminence in the size of the year-round election personnel. While in 1931 Detroit was able to administer its election system with 12 full-time employees, Cleveland carried no less than 31 on its election payroll. Cincinnati employed 24 persons to do work handled by 4 regular employees in Minneapolis and 2 in Milwaukee. Where Portland, Oregon, had 4 full-time election workers, Columbus and Toledo, cities of approximately similar size, used 17 and 20, respectively. Even the election system of Montgomery County (Dayton) with a population of 275,000 furnished a livelihood for more persons than that of Detroit or of Allegheny County (Pittsburgh). Truly, it would seem that students of the unemployment problem might well examine the stretch-out system in vogue in Ohio election offices. Indeed, though all these employees are paid for full-time service, it is said that several offices have thoroughly-perfected stagger systems of employment, certain members of the force reporting on one day and others on another.

Applying a standard of one full-time election employee for every 25,000 votes cast at general elections, which a number of large cities have demonstrated to be a feasible ratio, the year-round election personnel in the eight largest Ohio counties could be reduced more than 65 per cent. In fact, if all these Ohio counties made as effective use of their employees as one of their number actually does make, there would be a cut of nearly 50 per cent in election personnel.

STATE LAW PARTLY TO BLAME

While the number of precincts and the size of the year-round personnel are matters of local administrative discretion, the inflation of costs is also attributable in part to direct requirements of the state election law. The statutory salaries of members of election boards are a case in point. Though the board has very little business to perform throughout most of the year other than the approval of bills for payment, the salaries of board members are nearly as great in some of the larger counties as those of county commissioners, who have general charge of county affairs. On the basis of salaries received in some counties, board members might properly be expected to give all or most of their time to election duties. In practice, however, these salaries amount to little more than honoraria granted to party leaders for political service.

The election law also contributes to the waste of public funds by requiring the same number of precinct employees for primaries as for general elections. In Ohio the number is six per precinct and the compensation either eight or ten dollars each depending on the population of the county. Could the election organization be adjusted to the requirements of different types of elections, many thousands of dollars might annually be saved, particularly in the larger counties. As it is, the cost of primaries is approximately the same as that of general elections though the vote is normally only about 40 per cent as great.

SPOILS CONTROL

Other factors might be cited which contribute materially to high election costs in Ohio cities, but after all these are only the outward manifestations and not the underlying causes of election waste. The basic cause is undoubtedly spoils control of the election system. Superficially, election administration in Ohio is centralized in the secretary of state. In actual fact, however, it rests with the local organizations of the Democratic and Republican parties. Technically, the secretary of state appoints the members of county boards of elections, which have immediate charge of the election system; but he is specifically required by law to appoint the persons designated by the county executive committees of the two major parties, unless these nominees are definitely unqualified. Under this provision each organization in effect names two of the four members of the local board.

As a result of this requirement, the conduct of the election system is dominated by the party machines and is often prostituted to the interests of party patronage. Membership on the board of elections commonly goes to local party leaders or to their first assistants as compensation for political service. The full-time employees are generally divided evenly between the two parties and recruited from the ranks of precinct and ward captains and party pensioners. Similarly, the election day jobs in the booths and about headquarters normally go to precinct committeemen and to the faithful. Altogether, election patronage provides no inconsiderable proportion of the field forces of the two party organizations.

BUDGETARY IRRESPONSIBILITY

While party domination of the election system is by no means confined to Ohio, its effects on the efficiency of the system appear to have been more extreme than in most parts of the country. This is probably due in large measure to the lack of adequate budgetary control over election expenditures. Not only has the political influence of members of boards of elections tended to give their budget requests a preferred position with local appropriating bodies, but the attorney general has interpreted the budget law in such a manner as to enable these boards to incur obligations in absolute disregard of the appropriations made. In general, local appropriating authorities have considered election budgets beyond their control and have permitted boards of elections virtually to set their own scales of expenditures. As a result, there has been no effective check on the natural inclination of the boards to extend their patronage. Election forces have, therefore, gradually expanded from year to year until they have reached their present absurd proportions.

So long as election employees are exempt from civil service and the conduct of elections is practically vested in the two party organizations, an efficient system of election administration is probably not to be expected in Ohio. Not only does the present arrangement disregard the interests of independents and the non-organization elements of the major parties themselves, but it inevitably tends to convert the election system into a source of political patronage and to inflate the cost of its operation. It is only necessary to note the type of employees found in election offices and to examine the condition of registration and poll books to judge the extent to which party service has triumphed over fitness in the choice of election personnel. Both from the standpoint of efficiency and of fairness to all concerned in the conduct of elections, it would seem that the system would benefit by the substitution of a single administrative head for the existing bipartisan board and by a strict application of the merit system to the recruiting of election personnel. The party organizations are so firmly entrenched in their hold on the election system, however, that any such changes are scarcely within the range of political possibility in Ohio.

County Consolidation in Germany[1]

In Prussia, the super-county is an accomplished fact

BY ROGER H. WELLS

Bryn Mawr College

The recent number of the National Municipal Review[2] devoted entirely to county government is indicative of increasing interest in what was once described as "the dark continent of American politics." Such interest is not peculiar to the United States but is found in other countries as well. Thus in Germany, the problem of the county and, in particular, the relations of cities and counties are receiving increasing attention.

The German rural county (*Landkreis*) is confronted with the growing urbanization of the nation and is being subjected to attack from two sides. On the one hand, the small cities seek to become separate city-counties (*Stadtkreise*)[3] so as to be free from the jurisdiction of the parent county. The general rule for city-county separation is that cities which attain a certain designated population (10,000, 25,000, or 30,000 depending upon state law) may, upon petition, be established as independent city-counties by decree of the state cabinet or minister of the interior. On the other hand, the annexation of choice suburban areas in the counties by the larger cities is a continual drain upon county resources without any corresponding relief from county burdens. In consequence, the rural county tends to be reduced to a "rump" and sooner or later must be combined with other similarly weak counties if it is to function effectively.

SUPER-COUNTIES IN PRUSSIA

This combination process was well illustrated in 1929 by the great territorial reorganization which was carried out in the Prussian provinces of Westphalia and the Rhineland. The whole region in question had long been ripe for large-scale boundary changes for it is one of the most highly urbanized and industrialized parts of Germany. After prolonged argument and investigation, the necessary legislation was enacted by the Prussian state legislature[1] and survived all attacks in the courts. The area involved in these changes in the Rhineland and in the Ruhr was almost 3,300 square miles with a population of approximately 6,300,000. Before the reorganization, there had been twenty-two rural counties. Only seven of these remained after the legislation of 1929 but five new rural counties were formed out of the territorial remnants.

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[1] This article is a summary of a section in the writer's book, *German Cities: A Study in Contemporary Municipal Politics and Administration,* which will be published in the fall of 1932 by the Princeton University Press.

[2] August, 1932.

[3] The city-counties resemble the English county-boroughs and the independent cities in the state of Virginia.

[1] Prussia, *Gesetz über die kommunale Neugliederung des rheinsich-westfälischen Industriegebiets* of 1929; *Einführungsgesetz zu dem Gesetz über die kommunale Neugliederung des rheinsich-westfälischen Industriegebiets* of 1929.

Although this great territorial reorganization may seem to have been secured at the expense of the rural counties, they nevertheless gained decided advantages. Since 1927, there has been considerable agitation in Germany for the creation of "super-counties" (*Grosskreise*). The Rhenish-Westphalian legislation of 1929 and a previous act of 1927[2] were important steps in making super-counties possible. The argument for the *Grosskreis* is as follows. The county is now a unit both for local self-government and for state administration. In both these aspects, its functions have steadily developed, especially in the sphere of self-governing activities. Under such circumstances, the defenders of the *Landkreis* naturally ask why the county should be so ruthlessly sacrificed to the city. They urge that it would be far better if the position and powers of the *Landkreis* were strengthened so that it might function as a super-county, undertaking those services which the small municipalities within its boundaries are too weak and too poor to supply.

The essential elements of the super-county are: adequate area and resources; definite subordination of the cities and rural communes (*Landgemeinden*) within the county to the authority of the county; prohibition of the separation of cities from the county upon reaching a stated minimum of population; and restriction upon annexation of county territory by large cities. The Prussian legislation of 1929 went far toward supplying the first two of these elements. Obviously, the consolidated counties in the Rhineland and in the Ruhr have more adequate areas and resources. Moreover, the statutes of 1929 definitely enlarged the powers of *all* the rural counties in Prussia. Before 1929, the *Landkreis* and its member cities and *Landgemeinden* had legally equal powers with reference to the assumption of any or all local self-government functions. No matter how much duplication of effort resulted, the theory of legal parity remained. Now, any Prussian rural county may, within its own boundaries and subject to certain procedural and substantive limitations, assume the exclusive administration of any local self-government function.

The third requisite of the super-county is the prohibition of the separation of cities from the county upon reaching a stated minimum of population. No absolute prohibition has as yet been established but the Prussian law of 1927[1] was a step in this direction. By this statute, an act of the state legislature is required in all cases of city-county separation (*Auskreisung*). The process has thereby been made more difficult since formerly a decree of the minister of the interior sufficed. Moreover, the law of 1927 directs that even when a city has reached the population[1] which formerly automatically entitled it to become a separate city-county (*Stadtkreis*) it shall not be separated from the *Landkreis* unless the separation is "for the public welfare." The decision as to what is for the public welfare is left to the state legislature. Finally, the acts of 1929 completely repealed all the population requirements for city-county separation which were contained in the county government acts. The fourth element of the super-county is restriction upon annexations of county territory by large cities. Here again the law of 1927 prescribes that all such annexations must in the future be made by statute.

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[2] Prussia, *Gesetz über die Regelung verschiedener Punkte des Gemeindeverfassungsrechts* of 1927, Art. 1.

[1] *Lex cit.*

[1] 25,000, 30,000, or 40,000 depending upon the province.

CITY OPPOSITION TO SUPER-COUNTIES

The cities, large and small, and the *Landgemeinden* have vigorously opposed the idea of the super-county and all attempts to enlarge the position and powers of the *Landkreis*. However, the writer, while granting the force of some of the opposing arguments, nevertheless believes that it is worthwhile to make limited experiments with super-counties. The rural county's right of exclusive jurisdiction need not be exercised so as to destroy the local autonomy of the cities and *Landgemeinden* within the county. If not abused, it may prove a valuable step in the direction of local federalism. At least, it permits a division of labor between county and municipality to a much greater extent than in the past. By removing points of friction and contested jurisdiction, it should encourage coöperation. Such coöperation would be facilitated if some of the burgomasters and other officials of municipalities within the county were made *ex officio* members of the county governing organs. This arrangement might lessen the demand for the separation of the cities from the county.

City-county separation should still be permitted. A minimum population of 50,000 is doubtless better than 25,000 as a separation point. Even so, the problem of the "rump" county would remain. For this reason, separations should take place only at periodic intervals—for example, every ten years—and should then be accompanied by the consolidation of rural counties when that is necessary to maintain the efficiency of county administration. The greatest obstacle to the super-county is the position of the chief executive officer of the county, the county prefect or *Landrat*. In Prussia, this official is now chosen by the cabinet which has strongly opposed all suggestions for making the post elective by the county legislature. Cabinet appointment of the *Landrat* makes for centralization and contradicts the idea of greater local self-government embodied in the theory of the super-county. Until the *Landrat* is "communalized," i.e., elected by the county legislature, it is not likely that much further progress can be made.

There are many other phases of the county problem in Germany which cannot be discussed here for lack of space. However, perhaps enough has been said to give some idea of German opinion on the general subject of city and county relations.[1]

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[1] Since this article was written, there has been a further consolidation of rural counties in Prussia. At the end of July, 1932, it was announced that 58 counties had been united with neighboring counties in the interest of economy. (Berlin *Vossische Zeitung*, July 28, 29, 30, 1932.) These counties were in the main sparsely inhabited, having populations from 15,000 to 30,000. The average population of the Prussian *Landkreis* is between 60,000 and 70,000, while the largest counties have over 150,000 inhabitants. Heretofore, the total number of *Landkreise* was about 400. By a single cabinet order issued on the basis of the second Prussian emergency economy decree (*Sparnotverordnung*) of December, 1931, the number of rural counties was reduced by one-seventh. At the same time, for the purpose of setting aside enclaves, several rural counties were transferred from the jurisdiction of one province to that of another.

What Municipal Home Rule Means Today

IX. Wisconsin

HOME rule constitutes a reserve power in Wisconsin, not yet extensively used or fully construed. Charter ordinances a prominent feature

BY FREDERICK N. MACMILLIN *League of Wisconsin Municipalities*

CITIES and villages in Wisconsin have attained a greater degree of home rule than is generally credited. As much of this independence has been obtained through legislative action there has been less incentive to proceed under the home rule power granted by constitutional amendment. Consequently, the supreme court has only begun to construe the scope of home rule. On one point a construction of the home rule amendment contrary to the intention of its framers has been adopted which, although checking the stimulation of the use of home rule, will not handicap any city or village really wishing to proceed under its home rule power.

THE HOME RULE MOVEMENT

The battle for home rule in Wisconsin began early. In 1903 Senator La Follette, Sr., informed the legislature that it was a mistaken policy to encroach upon local government:

> Where the subjects pertain so especially to local interests and where the expense must be borne by local taxation.

Home rule planks were inserted in the platforms of the three principal political parties. A home rule statute was declared invalid in 1912 as an unlawful delegation of power. In 1914 a home rule amendment was defeated at a referendum. After approval by the 1921 and 1923 legislatures (a clerical error in 1919 delaying submission for two years), the home rule amendment was ratified in 1924, and the enabling act was passed by the legislature in 1925.

EXISTING POWERS OF CITIES

Despite the decision that legislative home rule was unconstitutional, the practical effect has been to grant a large measure of legislative home rule. In 1921 all special city charters were repealed, except for Milwaukee, and all cities were brought under the general charter law which largely is uniform for the four classes (population groups) of cities. The general charter law applies only to Milwaukee when that city exercises its option of adopting portions thereof. The enumeration of city powers was eliminated when the general city charter law was revised in 1921 and there was substituted an extremely broad grant of power.[1] Further this general charter provided that it should be liberally construed in favor of city powers.[2]

These provisions have been broadly construed by the supreme court as, for example, in the case upholding the right of cities to render outside fire service,[3] in the case confirming the right of cities to adopt "dry" ordinances,[4] and in the case relating to the regulation of junk dealers.[5]

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[1] Sec. 62.11 (5), Wis. Statutes.

[2] Sec. 62.04, Wis. Statutes.

[3] Burlington v. Industrial Com., 195 Wis. 536.

[4] Hack v. Mineral Point, 203 Wis. 215.

In the "dry" case the court stated that:

> Under the general charter, finding no limitations in express language, a city has . . . . all the power that the legislature could by any possibility confer upon it. . . .
>
> One of the fundamental ideas of cities is that they may make such laws and regulations as are necessary to the peace and good order of the city due to any peculiar condition which may exist within its boundaries and so supplement the efforts of the state to preserve peace and good order.

The court has further held that:

> It is well settled that municipalities may enact ordinances in the same field and on the same subject covered by state legislation where such ordinances do not conflict with, but rather complement, the state legislation.[6]

Municipalities may also re-enact state regulations as ordinances, largely important as permitting fines to accrue to the local treasury. In such instances prosecution under both the state law and the local ordinance is permitted for the same offense.[7] Statutes may also be adopted as an ordinance by reference.[8]

The form of city organization provided by statute is so elastic that almost any combination can be secured. The option of adopting the city manager or two types of commission form is offered. The city manager law permits the council to alter or abolish any board or commission, except the school board.

Under the mayor-council form, which predominates in Wisconsin, certain officials and boards are required, but the council has the option of abolishing many of these, or of transferring the duties. The power to create new departments, boards and offices is almost unlimited. While the mayor, aldermen, and treasurer must be elected, the manner of selection of most other officers may be changed. Variations in the number of aldermen and in their terms are optional.

EXISTING POWERS OF VILLAGES

Village government provides less elasticity without the exercise of the home rule power. Besides the president and trustees, five officials must be elected. With the exception of several boards, which if created must be organized in a certain manner, other officials may be selected as the village board shall determine if the board establishes such offices. All village charters were repealed in 1927, and all villages were brought under the provisions in the statutes.

The enumeration of village powers is detailed, but there is one broad general grant of power. Likewise, the supreme court recently held that:

> Villages not only have such powers as are expressly conferred upon them, but all such powers as are necessarily implied from the powers conferred.[9]

THE HOME RULE AMENDMENT AND ENABLING ACT

The home rule amendment ratified in 1924 modified an existing constitutional provision to read:

> Cities and villages organized pursuant to state law are hereby empowered, to determine their local affairs and government, subject only to this constitution and to such enactments of the legislature of state-wide concern as shall with uniformity affect every city or every village. The method of such determination shall be prescribed by the legislature.[10]

Certain provisions relating to legislative control of the organization of cities and villages, and restrictions on taxation, assessment and borrowing, were eliminated.

In 1925 the legislature adopted an

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[5] Lerner v. Delavan, 203 Wis. 32.

[6] Milwaukee v. Childs Co., 195 Wis. 148.

[7] Milwaukee v. Johnson, 192 Wis. 585.

[8] City of Milwaukee v. Krupnik, 201 Wis. 1.

[9] Wonewoc v. Taubert, 203 Wis. 73.

[10] Section 3, Article XI, Wisconsin Constitution.

enabling act which provides that a city or village need not exercise its home rule power in one main effort, but a charter ordinance can be drafted to meet a particular situation, as well as to enact an entire charter. A charter ordinance must be approved by two-thirds of the governing body, and seven per cent of the electors may petition for a referendum thereon within 60 days. A charter ordinance may be initiated, and if the governing body elects to adopt the ordinance without submission to a referendum, seven per cent of the electors can demand a referendum. Charter ordinances may be submitted to a referendum by the governing body without a petition.

Every charter ordinance approved at a referendum supersedes any prior or subsequent enactment of the governing body. Provision is also made for calling a charter convention.

THE EXERCISE OF HOME RULE

No complete home rule charter has been submitted to a referendum in Wisconsin, and there is apparently no pending effort in that direction. A proposed new Milwaukee charter was drafted by a committee representing civic, labor and functional organizations, but the sponsors became discouraged when an amendment to the home rule enabling act was adopted requiring that every charter ordinance specifically designate each legislative enactment made inapplicable. Although many provisions relating to city and village government are scattered throughout the statutes, this amendment affected Milwaukee particularly since it has the only remaining special municipal charter. Last revised in 1874, the conglomeration of Milwaukee charter law is so confused by various complications that many believe it impossible to comply literally with this amendment.

Milwaukee has made the most extensive use of the home rule power, having enacted 53 charter ordinances. Most of these relate to minor matters. Some of the more important were the ones changing the mill taxes, electing not to be governed by the state law on building heights, and eliminating certain special assessments. One charter ordinance taking away from the mayor the power to fill vacancies in the council was rendered void in 1929 by the use of the 60 day referendum clause, and the subsequent rejection of the charter ordinance by the electorate.

Twenty-seven other of the 145 cities in the state and four of the 365 villages have enacted a total of 58 charter ordinances. Among the subjects included are: Establishment of a municipal reserve fund, changing the selection of certain officials, special assessments, building heights, etc. Citizens have made no efforts to initiate charter ordinances, nor to require a referendum on charter ordinances, except in proposed changes from one form of government to another which now follow the home rule procedure instead of the special procedure formerly provided, and except for a re-apportionment ordinance successfully initiated by a Madison alderman.

Some of these charter ordinances elect not to be governed by certain statutes presumably within the field of local affairs and government, and prescribe a different method. In others the municipality assumes the power to do something not specifically authorized. In many instances of the latter there is considerable question whether the thing sought could not be exercised by a general ordinance under the existing broad statutory powers. It is certain that many of these ordinances violate the principles of good charter making in that they contain unnecessary details rather than a grant of power.

THE COURTS AND HOME RULE

It was the intention of the framers of the home rule amendment, Mayor

Hoan of Milwaukee and the League of Wisconsin Municipalities, that the courts need only ask one question to determine whether a charter ordinance was valid: Has the state legislature enacted a statute on the subject matter and does that statute meet the test that it is of state-wide concern and, in addition, uniformly affects all cities or all villages? Nothing has yet developed to invalidate that interpretation.

The first decision on home rule[11] held that education was a matter of state-wide concern because of constitutional provisions upon the subject contained in a separate article indicating that the management of schools was separate and distinct from the management of ordinary municipal affairs.

The second decision upheld a Milwaukee charter ordinance electing not to be governed by a state building heights law, and substituting therefor a higher limit.[12] The court reversed itself before the case left its control, the first decision holding that this was not a local affair. The final decision held that the home rule amendment accomplished two things: First, there was:

> A direct grant of legislative power to municipalities, so that such powers are now held by express grant in and by the constitution, whereas formerly any such power was held solely through and by the legislature.

Second, it limited the legislature in its exercise of the general grant of legislative power.

The court held that "local affairs and government" should have a liberal construction looking toward virility rather than impotency. It was suggested that there may be health regulations and control over transportation and other subjects, like education, which because of their nature are of state-wide concern. The court recognized that a matter of indirect state-wide concern might at the same time affect individual municipalities so intimately as to be a local affair. A "local affair" was held to be something growing out of and presented because of being a city or village as distinguished from a rural community.

The third home rule decision[13] has given some concern to home rule advocates. It was the intention of the sponsors of the amendment, as accepted by both legislatures adopting the amendment, that the legislature could no longer enact laws for classes of cities in matters of local affairs and government. It was not contended that existing provisions were affected until a municipality so elected. It was maintained that otherwise the legislature would still be flooded with requests for special municipal laws and municipalities would hesitate to exercise their home rule power because of fear of litigation. It was deemed preferable that communities and citizens be compelled to take a greater interest in local affairs and government by taking such matters entirely away from the legislature, leaving that body free to consider matters of state-wide concern.

This interpretation was not accepted by the supreme court in the above case. It held that those municipalities desiring to free themselves of legislative interference could elect not to be governed by legislative enactments in the field of local affairs or government, but that those not disposed to exercise their home rule prerogatives should not be compelled to. Consequently home rule does not limit the power of the legislature to legislate on local affairs and government, except that a charter ordinance prevails in that municipality over state enactments coming within the scope of the home rule amendment.

In this decision the court devoted

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[11] State ex. rel. Harbach v. Mayor, 189 Wis. 84.

[12] State ex rel. Ekern v. Milwaukee, 190 Wis. 633.

[13] State ex rel. Sleeman v. Baxter, 195 Wis. 437.

almost its entire attention to whether legislation could still be enacted for classes of cities. It made no mention of the phrase "of state-wide concern," and this remains for future clarification. A legislative enactment may apply with uniformity to every city or village and still a city or village presumably may elect not to be governed thereby because it relates to a matter of local affairs and government rather than to one of state-wide concern. In view of the statements of the court in the building heights case, and also the statement in the case next cited to the effect that the charter ordinance might also:

> Be void for the reason that elections are matters of state-wide concern, and that the election laws affect with uniformity all cities.

there should be no great concern on this point.

In the fourth home rule case[14] the court upheld the provision requiring that a charter ordinance specify those legislative enactments made inapplicable, and also held that the legislature had the power to set up the machinery for the exercise of home rule. The court did not pass upon the point as to whether the requirement that charter ordinances be enacted by a two-thirds vote was valid. The court also indicated that charter ordinances would not be invalidated for technicalities, holding, for example, that ministerial duties in connection with the passage not properly performed were not fatal since they could be compellable.

THE LEGISLATURE AND HOME RULE

At the first session of the legislature after the passage of the home rule amendment, Governor Blaine vetoed many bills as an interference with home rule, including bills continuing the policy of classifying cities. His interpretation of the intent of home rule was broad, as were official opinions of the attorney general. In 1927 and 1931 Governors Zimmerman and La Follette vetoed a few measures as a violation of home rule principle. There was no such veto in 1929.

Municipalities have made comparatively little effort to seek legislation violating the home rule principle. Most efforts relate to border line matters in which it was deemed best to take no chances pending further court clarification of "local affairs and government," such as elections, debts, public utilities, taxation, etc. Few local controversies have been taken to the legislature.

The close watch on all legislation now maintained by the League of Wisconsin Municipalities has resulted in the defeat of attempts to enact legislation on local affairs and government, since the League maintains that there is no necessity for putting municipalities to the trouble of passing charter ordinances to avoid such legislation.

CONCLUSION

In Wisconsin neither the municipalities themselves nor the courts are fully conscious of the home rule amendment. In the case of the municipalities it is largely because of the broad legislative powers already enjoyed and the success in fending off undesirable legislation. The courts have not clarified their thoughts on the subject because of the few cases that have arisen, as evidenced by the following statement of the supreme court two years after the home rule amendment was ratified:

> It is fundamental, of course, that a municipality has only such power as is expressly or impliedly conferred upon or delegated to it by the legislature.[15]

An effort is being made by the League of Wisconsin Municipalities to fully inform municipal officials of the possibilities of home rule in Wisconsin, including suggestions as to procedure, etc. It is likely that there will be some test cases which will further clarify the situation.

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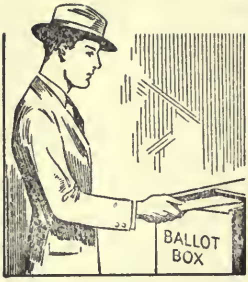
[14] State ex rel. Coyle v. Richter, 203 Wis. 595.

[15] Wis. Assn. of Master Bakers v. Milwaukee, 191 Wis. 302. (See also Hack v. Mineral Point, supra.)



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

A P. R. Charter for New York City?—The sensational resignation of Mayor James J. Walker to avoid removal by Governor Roosevelt on charges by Judge Samuel Seabury definitely advances the chance of a new and satisfactory charter for the world's largest city. There can be no question that this spectacular accomplishment of the Hofstadter investigating committee has greatly enhanced the prestige of its able counsel and will add weight to his recommendations for constructive remedies.

Judge Seabury has made it clear that he does not regard the mere removal of individual officials, however powerful and culpable, as anything of lasting importance. There will always be others to step into their shoes so long as the stranglehold of machine politics remains.

To break this stranglehold and keep it broken he regards proportional representation as a prime essential. The machine politicians of Tammany and their allies are an entrenched minority, powerful only because their opponents are badly divided. If the various elements of the divided opposition, including the great numbers of public-spirited Democrats, can be given their rightful representation in the city's legislative body separately, they will together have a majority. If this new majority can then appoint a non-political city manager, it will put an end to the present type of political control as Cincinnati did—perhaps for all time.

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California Voting on P. R. Amendments.—Among the numerous state constitutional amendments to be voted on in California on November 8 are two (numbers 8 and 9) which, if approved, will legalize the use of proportional representation in city and county charters. These amendments were sponsored by Senator George W. Rochester of Los Angeles and passed both houses of the last legislature with the active help of the League of California Municipalities, composed entirely of city officials, and with only a few scattering votes in opposition.

The case for the amendments can perhaps be best set forth by quoting entire a statement sent by the League of California Municipalities on August 26 to all city officials in the state:

> By action of the board of directors, the office of the League of California Municipalities has caused to be prepared the following statement with respect to constitutional amendments 8 and 9 dealing with proportional representation. These two measures will appear on the state ballot largely as a result of the past active support of the league and the general interest of the cities.
>
> Being a subject devoid of spectacular controversy that frequently attaches to public issues, it was deemed necessary that the cities' attention be called to the matter so that the subject that has received so much favorable attention by them may now receive that added consideration so essential to success.
>
> The purpose of these amendments is to increase the home rule powers of cities and counties in the drafting of their own charters. Previous to 1921 it was supposed that cities had complete powers of home rule in the choice of election methods, but in that year the use of the proportional representation method by the city of Sacramento was held to be unconstitutional by the courts, with an argument that would rule out certain other methods of election also. Amendment 9 is designed to counteract the effect of this de-

cision and grant cities complete freedom to choose proportional representation or any other method of election which they consider best suited to their needs. Amendment 8 is designed to grant the same freedom to counties, which at present have less home rule than cities and are confined to election methods prescribed by the legislature.

Proportional representation, the method which was specifically debarred in the Sacramento case, is the method which is now accepted by most authorities on municipal government as the fairest and most scientific method of electing local representative bodies. It is the method which is recommended, for example, in the *Model City Charter* of the National Municipal League.

It is based on the fundamental American principles of majority rule and equality of voting power and carries out those ideals far better than the ordinary plurality methods of election. It makes it possible for any majority of the voters to win a majority of the seats whether they are united on a single slate of candidates or not, and at the same time assures representation to every substantial minority. Without it large minorities are almost sure to suffer taxation without representation. It is called proportional representation because it gives every viewpoint among the voters the same share of the members elected that it has of the votes cast.

One of its advantages is that it eliminates all need of primaries without sacrificing any of their benefits. Another is that it makes it possible to abolish ward or district lines and obtain the benefits of a city or county-wide viewpoint in elections without the least danger that all the members will be elected by one element or that any part of the territory will be neglected.

Its one use in Sacramento was highly auspicious. After the election there was almost general agreement among business and professional men, organized labor, women voters, public officials, and newspapers that the city had received far more complete and competent representation than it had ever had before. Well over four-fifths of the voters helped elect councilmen for whom they had voted.

The fortunate though brief experience of Sacramento played a large part in the adoption of the plan first by Cleveland and later by Cincinnati, where it has been used by public-spirited citizens to transform an assertedly notoriously corrupt and misgoverned city into what is now generally regarded by students of government as one of the best-governed large cities in the United States.

Cincinnati's demonstration of the plan's possibilities for civic betterment has in turn led to an insistent demand for its adoption in New York City, where Judge Seabury urges it as an indispensable aid in raising public office to its rightful place of public respect, in Philadelphia, in Pittsburgh, and in Kansas City. It is already widely used in other countries also, for example in both city and state elections in Calgary and Winnipeg and in all elections in the Irish Free State.

It should be remembered that amendments 8 and 9 do not force this improved method on any unwilling community. They simply make it available for communities in this state as it is already in others. The passage of these amendments will put California back in the vanguard of home rule states where it belongs. In this state public officials have the enviable reputation of taking the lead in governmental improvements instead of being forced by an outraged public opinion to adopt them. It is hoped that officials throughout the state will do whatever they can to secure a favorable vote on these amendments.

There is always, of course, some danger of an adverse vote through lack of general understanding or a powerful last-minute attack, but so far no opposition has developed. Strong favorable arguments, signed by Senator Rochester and Senator Inman of Sacramento in behalf of Amendment No. 8 and by Senator Rochester and Senator Jones of San José in behalf of Amendment No. 9, have been sent by the state in its publicity pamphlet to all the voters. No adverse arguments were submitted.

A favorable vote on the amendments has also been recommended by the section on direct legislation of the Commonwealth Club of California. This influential recommendation was largely due to a careful study and report made by one of the Club's oldest and most respected members, Mr. A. J. Pillsbury of Berkeley, though the subject was presented also by Mr. Hallett of the National Municipal and P. R. Leagues.

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Reno Considers a Model Charter.—The attractive little town of Reno, Nevada, is out for a new kind of distinction. Within a few months, if a number of its leading citizens have their way, it will have the best city charter in the United States.

Last July a county grand jury made a detailed report on the present city government of Reno. At the suggestion of its foreman, A. J. Caton, it included a recommendation of the city manager plan and abolition of the ward system of electing councilmen. Shortly thereafter a representative of the National Municipal League was asked to analyze the Reno charter and relate his findings to the Kiwanis Club, the Rotary Club, and the Women's Forum of Washoe County. A charter committee was formed, under the chairmanship of C. R. Pugh, local attorney, composed of delegates from the Rotary Club, the Kiwanis Club, the Lions' Club, the Chamber of Commerce, the Women's Century Club, the Twenty-Thirty Club, the Merchants' Association, the Taxpayers' Association, and the Wholesalers' Association.

This committee has now asked the National Municipal League to prepare a model charter amendment for its consideration. The outline of such an amendment which the committee had before it in making the request calls for the election of seven councilmen from the city at large by proportional representation, the city manager plan in its most approved form, improvements in the city's financial procedure, and various other changes to modernize the present charter, most of which dates back to 1903 and 1905.

The committee is considering bringing such a charter amendment to a vote by petition at a special election in the spring.

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A Canadian Province Uses P. R.— On June 16 the ten Winnipeg members of the Manitoba single-house legislature were elected by proportional representation for the fourth time. The city formed a single election area, in which 78,194 ballots were cast. Of these only 1203, or 1.54 per cent, were rejected as invalid or blank, though Winnipeg has a large foreign population. No less than 65,391, or 84 per cent, were effective in helping to elect candidates for whom those who cast them had voted.

The election was contested by three major parties, the Conservative party, the Labor party, and a coalition of the Liberal and Progressive parties which have previously acted independently. There were also a group of Liberal candidates who disapproved of the coalition, two Communists, and a number of unattached independents, but none of these groups secured enough support to deserve one of the ten places. There were 29 candidates in all.

Under these circumstances proportional representation proved particularly useful. No one of the three major parties secured anything like a majority of popular support. A majority vote at large would have given an artificial majority (perhaps all) of the members to either the Conservative or the Labor minority. A majority vote by districts would have been a gamble, with almost any division of the seats possible, depending on the location of the district lines. The result under P. R. was the election of four Labor men, three Conservatives, and three Liberal-Progressives, including representatives of both branches of the coalition.

The quota of voters sufficient to elect one of the ten members was 7,000. When first-choice votes had been counted it was found that the Conservative candidates had 27,274 ballots, just short of four quotas; the Labor candidates 21,938, just over three quotas, with 2,448 more for Labor independents; the Liberal-Progressive candidates 14,818, just over two quotas; Communists 4,561; independent Liberals 1,820; and others 4,128. This practically insured the election of three Conservatives, three Labor men, and two Liberal-Progressives, with a probability of one more each for Conservatives and Labor. A party list system of P. R. would doubtless have given this result.

The actual result, with one less than anticipated for the Conservatives, and one more for the Liberal-Progressive coalition, demonstrated one advantage of the Hare system of P. R. (the only one used in English-speaking countries). The Hare system makes each elected candidate secure a separate quota of voters who believe in his personal fitness and does not allow candidates without such confidence to be swept in by a popular head of the ticket.

A good part of the Conservative strength on first choices proved to be the personal following of some of its individual candidates and not support for the ticket as a whole. Before the last Conservative candidate was defeated 12,449 ballots were transferred from defeated Conservatives and Conservatives elected with a surplus. Of these no less than 3,129, or a full quarter, showed choices for candidates of other parties in preference to the Conservatives still in the running. On the ballots of the defeated Conservative Tobias more next choices were found for Labor candidates than for the remaining Conservatives. Such voters, though their ballots were included in the Conservative total of first choices, were better satisfied to be represented by the other-party candidates whom they actually helped elect than by any Conservative who was available. Hundreds of other voters supported only part of the Conservative ticket even though they did not cross party lines. While the Conservative strength was thus being dissipated by the Conservative voters themselves, three of the Liberal-Progressive candidates were receiving large additions from defeated Conservative, independent, and independent Liberal candidates, many of whose supporters had marked choices for them in preference to the remaining Conservatives. In the end all three were shown to have more individual support than the fourth Conservative and were elected, though the last place was decided by less than a hundred votes.

The representation of the Liberal-Progressive minority, the third party in size in Winnipeg, was particularly fortunate because it gave the city representation in the Liberal-Progressive government of the province. Under P. R. such representation has been regularly assured and the voters of other parties have felt free to express their real wishes without fear that they would be depriving the city of sympathetic consideration from the province by so doing.

As usual under P. R., the outstanding leaders of all the major parties were reëlected and the city retains the services of legislators of experience. Eight of the outgoing members stood for reëlection and six were successful—three Labor, two Conservative, and one Progressive.

In previous Winnipeg provincial elections the names of the candidates of each party were printed in a separate color for the convenience of the party voters. This time there was no indication of party, which, however, did not prevent the great majority of voters from expressing their preferences along party lines. A rotating ballot, to equalize the advantage of position on the ballot, was used for the first time.

The count was efficiently conducted under the direction of Clarence V. McArthur, acting secretary of the Proportional Representation Society of Canada, a Winnipeg barrister who served as returning officer at the preceding election in 1927 also. The supervisors were Ronald Hooper of the Winnipeg *Evening Tribune,* formerly honorary secretary and now acting president of the Canadian P. R. Society; R. D. Waters, and L. A. H. Warren. Although there were some 25,000 more ballots to be sorted or transferred than in 1927, the count was completed in almost exactly the same working time (32½ hours) with a slightly smaller average working force and $300 less expense.

In the province outside Winnipeg the same method of balloting was used, each voter marking first, second, and further choices for as many of the candidates as he pleased. If his first choice was defeated, his vote was transferred to his second choice instead of being wasted. Since, however, there was only one member to be elected from each district, minorities in each district were necessarily excluded and the result was not proportional.

A truly representative result for the whole province could be secured by the simple expedient of combining the present constituencies into larger areas and letting each one elect several members by the Hare system as in Winnipeg. A plan of this kind, with a reduced total membership, was in fact suggested at the last session by Attorney-General W. J. Major, one of the Winnipeg members who has just been reëlected. It is expected to receive further consideration.

Continuity of Representation under P. R.
Winnipeg Provincial Elections

	Members Elected in			
Party	1920	1922	1927	1932
Labor	4	4	3	4
Liberal	4	2	2	3*
Progressive	. .	1	2	
Conservative	2	2	3	3
Independent	0	1	0	0

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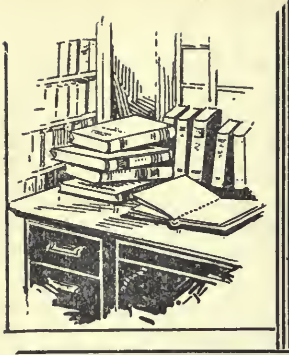
*Liberal-Progressive coalition.



RECENT BOOKS REVIEWED

House Design Construction and Equipment. The President's Conference on Home Building and Home Ownership. Washington, D. C., 1932. xvii, 325 pp. $1.15.

Too often in discussions on housing, has the situation been studied solely from the standpoint of the tenement. We have shunted aside, as of relatively little consequence, the question of the small house especially in connection with such matters as design, construction and equipment. This new study by the President's Conference is a noteworthy effort to focus attention on the technical aspects of the small house and on possible methods of improvement. Thus one section is devoted to house design, another to construction, and the third to fundamental equipment.

It is the belief of the Committee on Design that the design of the average house is defective. The remedy is to be found in group planning which makes possible a community to homes, much cheaper and architecturally more attractive than the individual house.

The Committee on Construction makes numerous recommendations as to the methods of raising standards, and points out that building costs could be cut considerably by intelligent cost information, the use of labor-saving devices, winter construction, etc.

The section on fundamental equipment is devoted to a very detailed consideration of heating and ventilation, plumbing and sanitation, electric wiring and lighting, and refrigeration.

Emanuel Stein.

New York University.

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Negro Housing. The President's Conference on Home Building and Home Ownership. Washington, D. C., 1932. xiv, 282 pp. $1.15.

This study by the President's Conference is an unusually good survey of negro housing. It contains adequate and graphic description of the origins of the problem, of the physical aspects of negro housing, of the relation of negro housing to the community, of the social and economic factors involved, and of the difficulties encountered in financing negro home ownership.

The problem of housing the negro is without doubt the most acute phase of the housing problem. There is scarcely a city or town in the country containing an appreciable number of negroes that does not have its negro districts in which slum conditions prevail. In these areas, particularly since the great northward migration of the last two decades, the negroes live under the most distressing conditions of insanitation and congestion.

A number of notable attempts to remedy the situation have been made, such as the Rosenwald and Rockefeller projects. It would seem, however, that the Committee's broad program, embracing such things as higher standards of tenement house sanitation and various methods of financing negro home ownership, would be a significant step towards an effective solution of the problem.

Emanuel Stein.

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Federal Financing. By Robert A. Love. New York: Columbia University Press, 1931. 261 pp. $4.25.

The appearance of a volume dealing primarily with the many borrowing operations of our federal government is most welcome. It is an historical and critical account of the more important measures and activities of our national treasury in connection with borrowing. Dr. Love hesitates neither to criticize nor to praise the methods followed by the several treasury officials involved in borrowings on any considerable scale. Thus the author observes that, "Surprising as it may seem, the greatest obstacles to financial strength, especially in modern times have appeared not as a result of failing resources, present or prospective, but as a consequence of weak financial policies." He hastens, however, to temper this somewhat harsh criticism by pointing out that in such a democracy as ours, "the Treasury's every action must fall in line with the plea of the people or be justified before the court of popular appeals."

Later, however, the author changes, "In not a single major period in American finance has the Treasury manipulated matters so as to avoid the unfortunate confusion and costly results which follow in the wake of badly used financing tactics." Though the study of the pages of this book reveals many short-comings on the part of our fiscal authorities, in the judgment of the reviewer, this indictment is too sweeping.

For one who wishes to familiarize himself with the borrowing phases of our national financial policies this book from the pen of Dr. Love furnishes a most readable and critical account.

Marion K. McKay.
University of Pittsburgh.

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The Administration of Regulatory Inspectional Services in American Cities. By Edna Trull. New York: Municipal Administration Service. 184 pp. Cloth, $1.50; paper, $1.00.

The body of this book is principally devoted to setting forth information gathered by the author from thirty-eight cities; of which eighteen have each more than 100,000 inhabitants; of which eighteen have mayor-council, sixteen city manager, and four commission government. The seven services considered relate to health, plumbing, building, electrical, smoke, fire prevention, and weights and measures. So far as the material permits, each of these seven is treated upon a similar pattern into which is woven the information gathered from the thirty-eight cities upon that topic, together with other pertinent material and the observations and comment of the author. The outstanding features of the pattern are: the presentation of the public needs to be served; of the general character of the basic legislation involved; of administrative organization; of personnel, their selection, training, experience, numbers, and compensation; of standards and methods; of state and federal relations; of volume and costs of work. The study reveals diversities of practice at every point, some of them due to varying local situations, but enough lacking any apparent rational explanation to justify searching local studies as well as the wider search for standards.

This book does not pretend to the impossible task of furnishing a universal yardstick by which the need and the value of inspectional services can be measured and determined. But the author is convinced that these services are rarely or never supplied in excess.

Nor does the study pretend to the equally impossible task of laying down a universal scheme of organization of the administrative forces required. Considering the heterogeneity of the organization schemes of the thirty-eight cities, this restraint is to be marveled at. The author does, in her final chapter, state the difficulties to the problem, and indicate an approach by which coördination might be obtained without the sacrifice of special proficiencies. But she seems to recognize that each city must solve its own problems, no matter how much help it derives from the experience of others.

Emmett L. Bennett.
University of Cincinnati.

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Regulation of Public Utilities. A Crucial Problem in Constitutional Government. By Cassius M. Clay. New York: Henry Holt & Co., 1932. xi, 309 pp. $3.50.

This may not be the most profound work published on public utility regulation, but it should be read more extensively than any other book on the subject. It is liberal and critical, but has the understanding that time is required for the molding of public policies and constitutional perspective.

The book is divided into two parts. The first is devoted to the constitutional background of utility regulation, with a discussion of legal and economic questions that are involved in rate-making, particularly, the return to which the companies are entitled, and the basis upon which the return must be determined. In these chapters, Mr. Clay covers ground that has been frequently traversed, but he leaves perhaps clearer markings for others to follow.

In the second part, Mr. Clay discusses, particularly, the problem of state vs. federal regulation of power companies; the conditions that have brought about the demand for federal regulation, the possibilities of extending and improving state regulation so as to reduce the need for federal control; and the holding company and its relation to the state and interstate control. For the most part, he inclines against material extension of federal regulation, and points to the possibilities of much more effective state regulation through suitable legislation and administrative arrangements.

Mr. Clay apparently has failed to sense the shift toward new types of organization, and the relation of the shift to technological developments. He seems to assume the economic advantages of the holding company systems, but the fact is that they have failed to bring the physical properties into well coördinated groups along most advantageous economic lines.

Mr. Clay ignores largely the shift toward public ownership and operation. He regards this more as a penalty for failure to regulate properly and does not recognize the technological background.

Ten years ago, large central power stations were accepted as fundamental to efficiency, and it was this fact which has been taken to justify the far-flung holding company consolidations. During the past decade, however, there has been enormous progress also in small station efficiency, and today it is not certain at all that the earlier super-power conceptions will apply to the future. The conception of the utility problem has changed materially in the minds of many scientific students who are really seeking what is of maximum public advantage. This shift rests primarily upon technological considerations. Its extension, however, will doubtless be affected by the developments in regulation.

John Bauer.

REPORTS OF PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

The Organization and Administration of a Governmental Purchasing Office.—Russell Forbes—National Association of Purchasing Agents, New York, 1932. 44 pp. The National Association of Purchasing Agents completes its series of three pamphlets on centralized buying in government with a description of the organization and methods of procedure to be followed in the establishment and operation of a purchasing department. Existing practice of states, counties and cities are cited to show the qualifications and methods of selection of the purchasing agent and his staff, the division of work among them, the cost of operation and the purchasing procedure followed. Salary tables, organization charts and a table showing the cost of the purchasing establishment in twenty-nine governmental units increase the value of this excellent pamphlet. (Apply to National Association of Purchasing Agents, 11 Park Place, New York City.)

* * *

The Control of Passenger Revenue by the Detroit Department of Street Railways.—Detroit Bureau of Governmental Research, 1932. 91 pp. At the request of the general manager of the Detroit Street Railways the Detroit Bureau studied the fare collection methods in use there to ascertain whether the department and the citizen-owners were being properly protected in the handling of the revenues. A number of privately operated companies were investigated and their procedure is briefly described. The bulk of the report describes the Detroit system and the application to it of the principles discernible in the fare collection methods of other street railroads. (Apply to Detroit Bureau of Governmental Research, Inc., 936 First National Bank Building, Detroit, Michigan.)

* * *

Election Administration in New York State Cities.—Harvey R. Goslee—New York State Conference of Mayors and Other Municipal Officials and the School of Citizenship and Public Affairs of Syracuse University. 1931. 47 pp. The study which formed the basis for this publication had the clearly defined objectives of gathering information on election administration practice, of analyzing procedures as to cost and effectiveness, of recommending improvements and of suggesting such changes in the election code as may be necessary to effect them. Expenditures are analyzed and changes in election districts, polling places and the use of voting machines are discussed as means of reducing the costs of election. Further economy might be effected if the election law were revised to provide for permanent registration, elimination of primaries when there is no contest and a reduction in the amount of required election advertising. (Apply to Bureau of Training and Research, New York State Conference of Mayors and Other Municipal Officials, City Hall, Albany.)

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Housing Status of Salaried Workers Employed in Pittsburgh.—Theodore A. Veenstra—Bureau of Business Research, University of Pittsburgh, 1932. 99 pp. This study is the result of an investigation undertaken to secure facts to serve as a basis for planning housing developments in Pittsburgh. Over 1,400 families, with salaries ranging from $2,000 to $10,000, but averaging $3,636, provided the statistics. Data are given on the proportion renting and owning, the cost of shelter, the type of housing accommodations and similar facts. Interesting ratios and comparisons are given. Numerous tables and charts are used to illustrate the text. The material has already been of use to the Buhl Foundation in conection with the planning of the Chatham Village development, some of which has been recently completed for occupancy. (Apply to Bureau of Business Research, University of Pittsburgh.)

*

Minnesota Year Book.—League of Minnesota Municipalities, Minneapolis, 1932. 260 pp. The third annual year book of Minnesota scarcely needs comment. The two earlier volumes have already earned for it recognition as a primary source of information on Minnesota. The data in the current volume are grouped under the headings calendar of Minnesota government, government in Minnesota, city and village government, taxation and finance, public utilities, directories and population statistics. Unfortunately these give but a hint of the vast mine of valuable material stored in this relatively small volume. (Apply to League of Minnesota Municipalities, 16 University Library, Minneapolis.)

*

Basic Principles for Determining Rate Structures for Electricity.—William T. Ryan—League of Minnesota Municipalities, 1932. 7 pp. This reprint from *Minnesota Municipalities* analyzes for the residential consumer of electricity the technical factors which determine the amount of his lighting bill. The various forms of rate structure are explained and the numerous items which determine the cost of service are presented graphically to show the reason for variations in rates. (Apply to League of Minnesota Municipalities, 16 University Library, Minneapolis.)

*

Library Classification for Special Collection on Municipal Government and Administration.—Frederick N. MacMillin—League of Wisconsin Municipalities, Madison, 1932. 20 pp. This classification system is planned for a library devoted primarily to municipal government. Many sections have been highly subdivided, others are still in rather general form to be adapted as need appears. Those who deal with the complicated problems of special library classification will welcome an opportunity to examine a working system for municipal documents. (Apply to League of Wisconsin Municipalities, 114 North Carroll Street, Madison. Price 50 cents.)

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The Federal Revenue Act as it Affects Municipalities.—American Municipal Association, Chicago, 1932. 10 pp. The 1932 Revenue Act has created so many complicated problems for municipalities that much interpretation and explanation will be required. The American Municipal Association has collected in this bulletin a number of the most important official statements so far made on the subject. (Apply to American Municipal Association, Drexel Avenue and 58th Street, Chicago.)

*

The Probst Rating System in Operation.—J. B. Probst.—St. Paul, 1932. 7 pp. Since 1927 the Probst method has been established in twenty-five personnel departments in private industry and public service. Mr. Probst is now beginning a series of analyses of cumulative results. This one describes the system in the fire department of a small city where the simplicity and practicability of the plan has been put to a severe test, but has proved its validity. (Apply to J. B. Probst, City Hall, St. Paul, Minnesota.)

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER *Virginia Bureau of Public Administration*

THE CRISIS IN GERMAN MUNICIPAL FINANCE

By Paul V. Betters

Within the whole organization of administrative services in Germany (the federal government, the several states, and local government) the municipalities take the most direct part in conducting administrative work. Due to the comprehensiveness of their authority, which by far exceeds that given to municipalities in general in other countries, the local governments have an extremely large radius of activity. The tasks with which they have to deal are chiefly: public welfare and public health (relief measures, administration of hospitals, etc.), education and school administration, construction of roads and housing, supply of water, gas and electricity, and means of communication for the public. Wherever no particular legal obligation of the *Reich* or of the states exists, the municipalities have to take action and organize the administration. This has made itself especially noticeable during the last few years since all unemployed persons who are not covered by the unemployment insurance system or by crisis relief measures—in particular those who have been unemployed for a long period—have to be supported by the municipalities. The question of unemployment has just recently, during the present depression, caused a tremendous amount of work for the municipalities which is taxing their financial resources to the utmost. According to the financial statistics for the budget year 1931, the expenses of the municipalities amount to approximately seven billion marks, or to about 50 per cent of the whole of public expenditures (excluding war debts and defense).

EXPENDITURES OF THE MUNICIPALITIES

The requirements of the municipalities which had to be covered by taxes during the fiscal year 1931, were for the most important departments, as follows:

Public welfare	46.0%
Schools and education	17.5
Road and street building	10.2
Housing	4.7
Other activities	21.6
	100.0

The unprecedented increase of the expenditure of the municipalities for public relief has two causes: first of all, the impoverishment of large sections of the population due to the war and, in particular, to the inflation which destroyed private incomes entirely and made the individual dependent on public funds for support. The second and much more important cause for the terrible burdens imposed on the municipalities is the continued increase of the number of permanent unemployed for which the municipalities alone have to provide. Those unemployed whom the municipalities have to support—mostly unemployed who have had no work over a long period—have become the most important group of all. The number of unemployed supported by the municipalities rose from 430,000 at the end of 1929 to 2,225,000 in May, 1932. The unemployment burdens borne by the municipalities in-

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Author's Note. This article is based upon information presented to the American Municipal Association by the Deutscher Städtetag, the German Union of Cities.

creased from 270 million marks for the fiscal year 1929 to 1,550 million marks for the fiscal year ending in 1932.

The total number of unemployed who received support during the month of May, 1932, was distributed as follows:

Unemployment insurance system	1,140,000 =	23%
Crisis relief	1,633,000 =	33%
Supported by municipalities (approx.)	2,225,000 =	44%
	4,998,000 =	100%

In a short time the municipalities will have to bear more than half the total unemployment burden. In spite of the fact that the rates of support have been cut down to the lowest scale imaginable, so that an unemployed man today has to cover the whole of his daily requirements as well as those of his family, including rent, with *1 mark,* these amounts can now no longer be supplied by the municipalities, owing to the enormous army of unemployed.

THE RESOURCES OF THE MUNICIPALITIES

The financial position of the municipalities and the problem of finding the money necessary for unemployment relief have been rendered all the more difficult, since at the same time the burdens increase, the incoming revenue from taxes and public services (communications and other services) has dwindled in a most disturbing manner. While unemployment relief has increased by approximately 1¼ billion since 1929, the income from taxes has simultaneously decreased by the enormous amount of approximately 1.3 billions, so that the financial situation has become the worse by approximately 2.5 billions. The sums derived from taxes amounted to:

Fiscal year 1929	4,340,000,000
Fiscal year 1932	3,050,000,000

This decrease in the amounts derived from taxes took place in spite of the fact that the newly created emergency taxes which were placed at the disposal of the municipalities (citizen's tax, local beer tax, tax on drinks) were fully utilized. The increase in unemployment burdens at the same time as the disastrous decrease in tax revenues show clearly the acute financial position of the municipalities. The municipalities are faced on the one hand with unemployment burdens which have been placed on them by laws made by the *Reich,* and on the other hand by decreases every year in the *Reich* transfer taxes.

ECONOMY MEASURES

The municipalities have tried to prevent their financial situation from being completely ruined as a result of the increasing burdens and the decrease in tax revenues, by cutting down drastically all expenses. On the recommendation of the Deutscher Städtetag, savings and reductions have been effected in all departments in an attempt to cover the debts which have arisen in all the towns; and as these represent 35 per cent of the total municipal financial requirements exclusive of public welfare, it can clearly be seen how strong the determination was. No department falling under the authority of the municipalities was spared. Numbers of schools have been closed down or consolidated, and large numbers of teaching personnel have been dismissed. The numbers of pupils in the individual grades have been so increased that 60 children are often taught in one room, and many of these must come a great distance to reach the school. The construction of houses, which, owing to the unparalleled lack of housing accommodation in Germany during the last few years, formed the chief preoccupation of the municipalities, has ceased altogether, and only primitive accommodations are being built now. The construction of public buildings has ceased altogether. Money for roads and streets has been so cut down that not even the necessary repair can be carried on. The cultural expenses of the towns which have also been heavily reduced everywhere have had to be done away with altogether in some municipalities. In Essen and in Duisburg, two large cities in the industrial west of Germany, the excellent theatres are being closed and the artists dismissed. The funds which the towns spent after the war until 1927 for the promotion of physical culture, so as to at least do something for the coming generation in the matter of health and physique, have lowered to a minimum.

MUNICIPAL INDEBTEDNESS

Although the municipalities have done everything possible to help themselves, even their restricted program forces a line to be drawn somewhere, for further cuts in other expenses are no longer possible. When expenses are so heavily curbed, as they are today, debts naturally play a very much more important part than in times of normal financial administration. In spite of the heavy burdens they have to bear, the municipalities have always kept up regular payment of their debts, particularly to foreign countries; and they will continue to keep it up if the relief which has been urgently requested from the *Reich* is granted. If one considers the municipalities as a whole, one must see that the statement which one often hears—that the German municipalities have been outrunning the constable—does not really apply. Certainly the speed at which debts have been incurred has risen more since 1924 than previously; but the reason for this is that all towns have had to make up in all departments what was missed during ten years of war and the post-war period.

Doubts shown as to the honest fulfillment of their liabilities by the towns have in any case been proved to be wrong by the actual facts. The German municipalities are only in debt to foreign countries to the relatively small extent of 700 million marks, of which 650 million marks are long-term credits and only 50 million marks short-loan, as against the total indebtedness of the municipalities amounting to some 10 billions of marks. The money borrowed from abroad was expended *solely* on the extension or renewal of communal works, especially of public services and communications and traffic; it has, therefore, been used purely in a productive sense, and at the same time in a manner which pays for itself. According to the official statistics given out by the *Reich*, 93 per cent of the foreign credits have been applied to public utilities. Credits obtained at home were also, considered as a whole, applied only to services necessary for the welfare of the people, especially to the construction of small dwellings, and small flats; the making of roads and streets, the purchase and sale of land, drainage, school administration, welfare purposes and public services and communications. Only very small amounts, which steadily diminished, were spent on purposes which were not of urgency (luxury expenditure) in the past; they amount to only a little over 1 per cent of the total municipal expenditure, and in addition, they were expended at a time when it was customary to spend on a considerable scale for such purposes.

Without the burdens for unemployment relief, the municipal budgets would today be absolutely sound and balanced. Definite relief must be given to municipal finances by reforming the whole system of unemployment relief, in that the municipalities take charge of the unemployed question and the *Reich* takes a considerable share in the total expense.

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The French Communal Credit Fund.—Mr. James E. Gates, writing in this section of the Review for June, 1932, noted the resolution of the French Congress of Mayors urging the creation of a communal credit fund for the elasticization of local government borrowing in the Republic. The plea of the Congress has in large measure been met by a recent act of the government in establishing a credit fund for the communes and departments.

According to a late issue of the Municipal Review (Westminster) the resources of the fund are composed, in the first instance, of a lump sum grant of 300,000,000 francs from the national treasury, plus the following annual income:

1. A proportion, beginning with one-fourth in 1932-33 and increasing year by year to all in 1935-36, of the state's share in the proceeds of casino gambling, and the state's share of the tax on gambling in clubs;
2. Two-thirds of the state's share in the tax on pari-mutuel bets placed elsewhere than on racecourses;
3. Donations and legacies, and, if levies are made as to sporting events other than horse races, two-thirds of the levy on pari-mutuel bets on such events.

The localities will be charged normally 2 per cent interest for loans made from this fund, although certain small communes or poor departments borrowing not in excess of 300,000 francs for certain specified categories of public works may be loaned money at a rate of 1.5 per cent. The total amount of loans has been limited to one and one-half billion francs in 1932, 750,000,000 in 1933, and 300,000,000 annually thereafter until 1962, by which time the thirty-year loans, which it is contemplated many of the initial ones will be, will have been amortized, and the amounts will be available for reinvestment.

The resources of the fund have been divided into five parts, one of which goes to the departments and four to the communes. The departmental share is further equally divided, and one part specifically reserved for those departments in which the proceeds of the *centime* aggregate less than 35,000 francs. Allocation of the four-fifths of the funds reserved for communes is entirely on a population basis, without regard to the yield of the *centime*. One-twelfth of the communal share, or one-fifteenth of the total, will go to communes of over 20,000 inhabitants, one-sixth to communes with 5,000 to 30,000 inhabitants, and one-fourth to communes with 1,500 to 5,000 inhabitants. The remaining half will be available for the 33,900 small communes having less than 1,500 inhabitants.

The three main classes of public works in connection with which the fund is authorized to assist the local governments are water supply, rural electricity supply, and elementary schools. Where the limit fixed exceeds the loans taken for new construction, existing undertakings may benefit by the act and refund up to the limits of the assistance offered.

Benefits taken under the fund in no wise affect other grants-in-aid currently provided for local governments, and the allocation of certain portions of the taxes on gambling to the localities is without prejudice to the grants made from these sources to social and philanthropic institutions.

The fund is contemplated to be a permanent institution in French local government which, after the present crisis, will relieve the localities of certain hardships incident to undertakings involving borrowing. Its immediate purpose, however, is to enable departments and communes to launch extensive public works undertakings which are needed and which will check the growth of unemployment. And while it mainly provides facilities of rural credit, the possibility is opened for the municipalities eventually to utilize the fund as a nucleus for a general permanent mutual credit institution.

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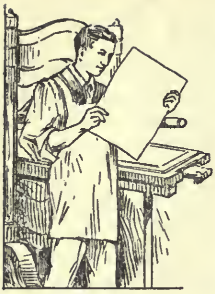
Correction.—An error was made in this department in the September REVIEW in which the rental for Vienna apartments was given for the week instead of the month. The statement should have read: " . . . . the flats rent for as little as two or three dollars a month."



NOTES AND EVENTS

The Emergency Relief and Construction Act.—On September 13 the Reconstruction Finance Corporation authorized a loan of $40,000,000 toward an estimated $283,586,000 required to finance the vast metropolitan water district of Southern California—the first "self-liquidating" project to be approved under the Emergency Relief and Construction Act of July 21. Under the terms of this act a large part of the billion and a half of new loan funds of the R. F. C. are made available "to aid in financing projects authorized under federal, state or municipal law which are self-liquidating in character."

Just why is it sound policy to loan R. F. C. funds for a water-works extension, but unsound to do so for a public school building? Why does a fee-charging municipal swimming pool merit federal support which is denied to a children's playground? And why must a bridge remain unbuilt unless amortized by tolls rather than taxes? These are some of the puzzling questions raised when the Emergency Relief and Construction Act was before Congress in July, and which remain unsolved as the "self-liquidating" sections of the act are being laboriously applied with the aid of a corps of engineers and lawyers in Washington.

According to a radio address by Chairman Atlee Pomerene on September 10, although an average of 150 inquiries are being received each day relative to such loans, only a total of 224 actual applications for loans appear to be within the meaning of the act, and 200 of these are incomplete to such an extent that the engineers' advisory board is unable to pass definite judgment upon them. "Circular No. 3," recently issued by the corporation, refrains from listing the types of projects likely to be approved, but sets forth in 45 numbered paragraphs the meticulously detailed information required from public bodies seeking federal aid. It becomes increasingly probable that most states, counties and municipalities which can leap the hurdles set up by the law and by the Reconstruction Finance Corporation, and many which cannot do so, will be able to secure their funds through normal channels of public finance. Nevertheless, the fact that there is now federal blessing even with severe limitations on increased activity in public works construction may help to combat false public "economy" and furnish useful jobs instead of doles for some lucky thousands of our increasingly desperate millions of unemployed.

A feature of the act having tremendous possibilities for good—if business and civic groups and legislators will rise to the occasion—is Subsection (A) (2) of Section 201. Under this the R. F. C. is authorized and empowered

> To make loans to corporations formed wholly for the purpose of providing housing for families of low income, or for reconstruction of slum areas, which are regulated by state or municipal law as to rents, charges, capital structure, rate of return, and areas and methods of operation, to aid in financing projects undertaken by such corporations which are self-liquidating in character.

Apparently New York is the only one of the 48 states now having a law adequate to meet this test. Profiting by this law, it is the hope of the state board of housing of New York to secure approval of not less than $50,000,000 of federal loans to limited-dividend housing corporations for early expenditure in the city of New York.

As legislative sessions will be held in almost all of the states this fall or early in 1933, here is an opportunity for the introduction of legislation which may do much to speed the replacement of blighted districts and slums with large-scale, low-rent housing developments of excellent design and substantial construction. Legislators should be advised, however, not to copy verbatim the New York law, which, excellent in some features, was a compromise in others.

An outline of principles which it is recommended should be embodied in a state housing law has been prepared by a Subcommittee on Housing Laws of the Committee on Economics of Site Planning and Housing of the American Institute of Architects. This statement of principles may be found in full in the August number of *The American City*, and is obtainable in mimeographed form from Robert D. Kohn, Chairman of the Construction League of the United States, 56 West 45th Street, New York City.

Harold S. Buttenheim.

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Mid-Hudson Bridge Billboard Case Reversed.—By its decision on July 19 in *Perlmutter* v. *Greene* (259 N. Y. 327) the New York Court of Appeals administers one more cut to the outdoor advertising men's claim that the right to shout at people upon the public highway with a billboard is one of the constitutional attributes of the ownership of private property. Incidentally the court declares its concurrence in the popular judgment by referring to a billboard as a "quasi-nuisance."

In 1930, Perlmutter, a furniture dealer of Poughkeepsie, New York, leased private land near the Poughkeepsie end of the new Mid-Hudson Bridge and started to erect a large billboard to advertise his business. Thereupon Colonel Frederick Stuart Greene, superintendent of public works of the state, started to erect a lattice or screen on state land (acquired for the bridge approach) in front of the billboard in order to cut off a view of the board from motorists crossing the bridge, and thus make the board valueless.

Justice Bleakley of the supreme court granted an injunction against the erection of the screen, holding that the state had no "right to build screens along its highway, thus shutting out the view of adjacent owners or the view of travelers upon the highway of adjacent property, unless the screens are erected in furtherance of a highway purpose." He refused to find that the screen had a highway purpose, holding that the claim of the state that the billboard would be a distraction at a dangerous traffic spot was an afterthought, and that the real purpose was æsthetic. He argued that if the state might erect a screen in this instance "it might be done in every instance where the superintendent reached the conclusion that a particular type or form of building attracted the attention of motorists." (140 N. Y. Misc. Reports, 42.)

The appellate division (234 App. Div. 896) in a brief memorandum, by a vote of three to two, sustained the court below, saying in effect that while the state officials might erect directional and traffic signs even though they obscured advertising signs, they might not erect a screen merely to blanket a lawful sign. "The purpose of the defendants, if carried out, is to prevent a lawful use of private property."

Just as Justice Bleakley below had thrown in a dictum to the effect that it would take a constitutional amendment to deal with the billboard evil, the appellate division majority threw in a dictum that even if the offending sign were a nuisance or were otherwise illegal, "that situation would have to be reached by other means" than the one used here by the state.

The opinion of the Court of Appeals, now rendered by Chief Judge Pound and concurred in by all the court, seems to sweep away completely the reasons thus adduced to paralyze the hand of the state superintendent. In dismissing the furniture man's case and in sustaining the right of the superintendent of public works to erect the screen, Judge Pound says:

> Shall we invoke the principle that considerations of an æsthetic purpose may enter into the reasons for improving a State highway and thus sustain the superintendent of public works in his action if it has any direct relation to a highway purpose? . . .
>
> The state superintendent of public works has control of the Mid-Hudson Bridge. . . . and has general supervision over all state highways. . . . In the exercise of such supervision and control doubtless he may plant shade trees along the road to give comfort to motorists and incidentally to improve the appearance of the highway. By so doing he aims to make a better highway than a mere scar across the land would be. If trees interfere with the view of the adjacent property from the road, no right is interfered with. So if the superintendent desires to shield the travelers on the highway from

obnoxious sights of public nuisances or quasi-nuisances by the erection of screens more pleasing to the eye, he still acts within his jurisdiction. He aims to make the highway free from sights which would offend the public. No adjacent owner has the vested right to be seen from the street in his back-yard privacy. Again, if the purpose is to shut out from view scenes which might distract the attention of the driver of a car, the superintendent may aim to make the highway safer for those who use it by erecting screens to keep the eye of the driver on the road as he erects barriers to keep the car on the road on dangerous curves. All these things are as incidental to the construction and operation of the highway as are the matters of grade, materials or drainage.

Authorities are agreed that any considerations, other than purely æsthetic ones, which are relevant to the operation of the highway, may influence the superintendent's action and, if such considerations exist, the fact that considerations of an æsthetic nature also exist does not take away his authority to act. . . .

Beauty may not be queen but she is not an outcast beyond the pale of protection or respect. She may at least shelter herself under the wing of safety, morality or decency. It is, however, needless for the decision of the case to delimit her sphere of influence. The immediate problem is not whether the state superintendent of public works may, as an incident to his power of highway control, shut off from the eyes of the traveling public all advertising signs erected on private property or whether the highway, created by public money, is controlled in part by those who desire to thrust upon the notice of the public the ostentatious display of private advertising from the adjoining premises for their own profit whenever they see fit; nor whether advertisers have a right, independent of environment, to have a highway "kept open" visually so that their signs may compel the eye of the passer-by. The question is whether the superintendent was justified in erecting this screen to shut off the view of this sign in this location. . . .

From new conditions of travel new rights and obligations arise. The state creates new values for adjacent owners by building good roads. . . . No contract exists between the state and the owner that the latter may forever use his property to erect billboards anywhere along the highway; . . .

Some future case may call for new definitions of highway purposes. New highways and new uses arise. Enough for this decision to say that the superintendent of public works may act reasonably in his discretion for the benefit of public travel in screening a billboard at a dangerous curve when by its enormity such a structure may divert the attention of the motorist from the road. He then interferes with no property right of the adjacent owner and he should not be interfered with by the courts. If, incidentally, the appearance of the road is improved by shutting off the view of the billboard, so much the better.

The right of the state official thus established recalls the delightful picture published some months ago in the *Roadside Bulletin* issued by the American Nature Association for the National Council for Protection of Roadside Beauty, where a private owner, incensed at the erection of a huge advertisement by a neighbor in such a manner as to be read across the private owner's land, advertised his sentiments and blanketed the board with a canvas sign reading: "I favor products not advertised on the landscape."

As a result of the New York decision, the effort of highway superintendents to take the profit out of offending rural billboards by the planting of trees in front of them, is likely to be stimulated. Some may even adopt Colonel Greene's plan of erecting screens.

In *Matter of Dr. Bloom Dentist, Inc.*, the same court on the same day upheld the refusal of a city clerk to license a sign in a case where the sign was to be so large but the "Inc." so small that the corporate character of the concern might be overlooked. The court held that the police power of the state extends to the regulation of professional signs and that, in the exercise of that power, the state regents may be empowered to prescribe canons "in the interest of rescuing that profession (the dental) from vulgar commercialism. Prohibition against the use of flamboyant signs by members of a profession cannot be said to be unreasonable." Is the standard implied in the phrases "vulgar commercialism" and "flamboyant signs" anything but an "æsthetic" concept?

ALBERT S. BARD.

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The State Assumes County Roads in Virginia.—On August 9 fifteen Virginia counties, exercising an option afforded them by the 1932 general assembly, held elections to determine whether their roads should be taken over by the state highway system. In eleven counties the majority voted to turn over the erstwhile county roads to the state; in four counties the decision was to exempt themselves from the operation of the new "Byrd plan" road law and continue county construction and maintenance of county roads.

The "Byrd plan," so-called because of the earnest sponsorship of Ex-governor Harry F. Byrd, is similar in most respects to the North Carolina road act of 1931 which provided for the state assumption of all county roads. It provides that the state should take over, on July 1, 1932, the financing and administration of all county roads—approximately 45,000 miles.[1] The original draft of the bill simply permitted those counties that so desired to turn their roads over to the state highway commission. As finally written, however, over the opposition of Governor John Garland Pollard, a sincere friend of local self-government, the bill contained only an optional clause which allowed counties to exempt themselves from this road plan.

Advocates of the "Byrd plan" consistently described this act as a tax-relief measure. Upon this basis State Tax Commissioner C. H. Morrissett, administrative spokesman, waged a stump-speaking campaign in the recalcitrant counties that availed themselves of the opportunity to vote upon whether their roads should be taken over. In addition, Dr. W. H. Stauffer, economist for the state tax department, issued a statement estimating that the "Byrd plan" will save county taxpayers $3,276,190.51—if the boards of supervisors abolish all road levies assessed in 1931.

Opponents of the plan, throughout the contest waged prior to the elections, insisted that it matters little whether the tax be paid to the county or the state, the cost of maintaining these roads still falls on the taxpayers. More telling, probably was the argument that a county stood to lose more in giving up its share of the state gas tax receipts than it would gain from state road financing. The fear was also voiced that county roads would be neglected by the state highway commission in favor of the trunk roads in the primary system.

The four counties that voted themselves out of the provisions of this plan are, Arlington, Henrico, Nottoway and Warwick. Arlington, smallest county in the state, is a densely populated suburban area across the river from Washington, D. C. Henrico County, also densely populated, is located about the city of Richmond. Both counties receive large shares of the state gas tax receipts which are apportioned on the basis of a heterogeneous scheme in which population and the total taxes paid to the state are important factors. The electorates of each of these counties reasoned they had more to lose in the loss of the gas tax funds than the prospect of absentee operation of local streets and roads warranted.

Warwick, a small densely populated county, located about the city of Newport News, receives relatively large returns from the gas tax and, in addition, is traversed by a number of important state highways which minimize the importance of the local roads. Nottoway, the only rural county to accept the alternative of continued county operation, is also particularly fortunate in being well covered by highways of the state's primary system. This county has not levied a tax for road purposes in several years.

As the situation now stands 96 of the 100 Virginia counties have accepted centralized road administration; eighty-five accepted the provisions of the "Byrd plan" from the start, eleven decided at special elections to cede their roads to the state. Four counties, for the time being at least, will continue the county form of road operation. The future of the roads of these four counties has been the subject of considerable speculation. The state highway commission has already taken over the roads and purchased the road machinery of the first group of 85 counties and centralized road administration in Virginia is already a fact.

Even before the state assumption of local road functions is well under way the suggestion is heard that the state take over the operation of all local schools. As yet this suggestion is staunchly opposed—but then Virginia has "hit the sawdust trail" of centralization. How far this state will go in the trading of local rights for prospective economies through centralized administration it is now impossible to ascertain.

John J. Corson, III.

The News Leader,
Richmond, Virginia.

*

Extensive Improvements in Asheville Police Department.—Asheville has just completed many improvements in its police department, including changes in its organization, the installation of a complete records and identification bureau, rearrangement in physical quarters, and the institution of training in the many branches of police science. These changes are a part of a program adopted in Asheville for making the police department the most efficient of any city of the size of Asheville in the United States.

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[1] See National Municipal Review, June, 1932, pp. 405-6.

One of the first moves in this police program was to establish a bureau of records and identification. In this bureau have been centralized all of the records, identification, and property work of the entire department, and it thus becomes the hub around which nearly all police activity radiates.

New record forms have been installed and detailed instructions prepared for all members of the force and records bureau employees, explaining just how the new records and services are to be used. Copies of the instructions and forms can be obtained by writing Gerald Cowan, director of public safety of Asheville or the International City Managers' Association, 923 East 60th Street, Chicago. Already these records have aided in subjecting police operations to more definite control and in providing the department with essential facts for distributing the force and for solving crimes. Moreover, a follow-up officer has been appointed, whose duty it is to see to it that all matters requiring police attention are disposed of correctly and with dispatch.

Fingerprinting, photography, and other identification services were initiated so that the department now has the makings of a very modern identification unit in the records bureau. The police telephone system has been revised so that telephone calls are received at a complaint desk in the records and identification bureau. From this point assignments are made to investigating officers, information is given, or the calls are relayed as occasion warrants. This centralizes the clearing of all police business and leads to definite control with a minimum of lost motion.

Although the city is not financially able at the present time to install a radio system, it plans to do so in the near future. Orders and alarms will be broadcast to officers on duty from the central complaint desk, where all crimes are reported. Radio is particularly adaptable to cities such as Asheville, which has a very large area with residential sections extending miles into the hills on every side.

Rules governing the operation of the newly formed civil service board have been drafted and put into effect. These rules are designed to bring about the most effective management of police personnel, while at the same time providing ample protection to the men. The rules establish an orderly plan for recruiting, examining, promoting, and improving the conditions of service of all policemen. It is anticipated that a much better quality of personnel and improvement in morale will be developed under the new plan.

A police women's unit has been established and placed in charge of the police matron, whose duties in the position of matron did not require her full attention. In her capacity as police woman she will aid in handling the problems of missing girls, wayward juveniles, prostitution, offenses in which women are involved, supervision of public social centers, and other duties where a woman can be particularly valuable. She is essentially a crime prevention officer.

To supervise these changes the city of Asheville obtained through the International City Managers' Association the services of Donald C. Stone, Research Director of that organization, and Captain Albert S. Woods, Exchief of Detectives of Berkeley, California, and special consultant of the Association. In addition to the changes already put into effect, these men prepared a comprehensive plan which will be used as a guide to future improvements.

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CONTENTS FOR NOVEMBER

LEAGUE'S BUSINESS .... *Russell Forbes* 622
EDITORIAL COMMENT .... *Howard P. Jones* 623
HEADLINES 627
FEEDING THE HUNGRY .... *Frank Bane* 628
TAMMANY TOTTERS BUT TRIUMPHS .... *Joseph D. McGoldrick* 634
RACKETEERING—AN ALLIANCE BETWEEN POLITICS AND CRIME .... *Gordon L. Hostetter* 637
INDIANA ADOPTS A TAX LIMIT LAW .... *Virgil Sheppard* 641
PORTLAND CONSIDERS A SERVICE-AT-COST TRACTION FRANCHISE .... *Herman Kehrli* 644
PRESIDENT'S REPORT .... *Murray Seasongood* 648

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 650
II. Recent Books Reviewed 654
III. Notes and Events .... *Edited by Howard P. Jones* 658

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THE LEAGUE'S BUSINESS

Annual Report and New Constitution Available.—The secretary's report on the work of the League from November 1, 1931 to September 1, 1932, as presented at the recent Washington convention, has been mimeographed and is available free of charge to any member who applies to the secretary's office. At the annual business meeting of the League, as announced on this page last month, a new constitution was adopted. The constitution will also be sent in mimeographed form to any member who requests it.

Radio Series on Constructive Economy in State and Local Government.—Beginning on November 15 and continuing every Tuesday evening until the end of this year, the National Broadcasting Company's nation-wide network will broadcast a series of addresses on the general theme of "Constructive Economy in State and Local Government." The program as arranged is as follows:

NOVEMBER 15—"Retrenching in State and Local Expenditures: A General View."
SPEAKERS —*Hon. Murray Seasongood*, President, National Municipal League; and *Prof. A. R. Hatton*, Northwestern University.
NOVEMBER 22—"Redrawing the Boundaries of Local Government."
SPEAKERS —*Prof. Thos. H. Reed*, University of Michigan; *Howard P. Jones*, National Municipal League and *Prof. Geo. S. Counts*, Columbia University.
NOVEMBER 29—"Redistributing Functions of State and Local Government."
SPEAKERS —*Prof. Paul W. Wager*, University of North Carolina; *Hon. O. Max Gardner*, Governor of North Carolina; and *Hon. Harry F. Byrd*, former Governor of Virginia.
DECEMBER 6—"Reorganizing County Government."
SPEAKERS —*Prof. Arthur W. Bromage*, University of Michigan; *Prof. Leonard D. White*, University of Chicago; and *Dr. Lent D. Upson*, Detroit Bureau of Governmental Research.
DECEMBER 13—"Reforming Financial Methods."
SPEAKERS —*Dr. Luther Gulick*, Institute of Public Administration; *Prof. Harley L. Lutz*, Princeton University; and *Dr. Russell Forbes*, National Municipal League.
DECEMBER 20—"Reducing and Limiting Local Indebtedness."
SPEAKERS —*Carl H. Chatters*, Municipal Finance Officers' Association; *C. E. Rightor*, Detroit Bureau of Governmental Research; and *Henry Hart*, President, Michigan Municipal Advisory Council.
DECEMBER 27—"Revising our State and Local Tax System."
SPEAKERS —*Dr. W. F. Willoughby*, Brookings Institution; *Prof. William Anderson*, University of Minnesota; and *Dean Isidor Loeb*, Washington University.

This series of broadcasts will give nation-wide publicity to our committee report on this subject being perpared by Professor A. R. Hatton and to be delivered at the opening number of the series on November 15. The following broadcasts in the series will develop the details of the principles laid down in the committee report. The series is sponsored by the Committee on Civic Education by Radio of the National Advisory Council on Radio in Education and the American Political Science Association.

A *Listener's Handbook* for free distribution has been prepared by the Committee to accompany this series. It contains a complete program, outlines of the subjects discussed, and a bibliography prepared with the assistance of the American Library Association. Reprints of all the addresses in the series will also be available at 10c each, or $1.60 for the entire set. Applications for free copies of the *Listener's Handbook* and orders for the reprints of the addresses should be sent to the University of Chicago Press, 5750 Ellis Avenue, Chicago.

RUSSELL FORBES, *Secretary.*

Editorial Comment

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Economy: Progress or Decay?

There were two sides to the shield at the annual meeting of the National Municipal League in Washington, September 19-21, which, incidentally, attracted more public attention this year than ever before. The first was the manifest current of protest against hysterical slashing of governmental services all too common throughout the country these days; second, the clear realization of the opportunity facing those interested in improvement of local government as a result of the widespread citizen interest in ways and means of achieving governmental economy. This aroused energy, now largely concerned with cutting items out of budgets, can and should be directed toward elimination of waste in government, which means increasing the efficiency of administration. The National Municipal League, as well as other organizations interested in improvement of governmental conditions has before it an unparalleled opportunity to give practical effect to the discoveries of more than a quarter century of experimentation.

Too little public appreciation has been accorded the constructive research in local government and experimentation in the mechanics of democracy that has been going forward in this country since 1900. Many to whom Einstein's name is a byword and Edison's a record and vision of the possibilities of experimental physics, would look blank at the mention of the names of outstanding researchers and political scientists.

There are a number of reasons for this, chief among which has been the lack of drama in this work. The depression is furnishing the drama. Starving children and homeless families can't be shrugged aside. Local government is taking them in—the interest in the problem of economy versus the necessity for feeding the hungry is furnishing the stimulus necessary to a public grasp of the problems of local government and the solutions that are possible.

Disillusioned and cynical taxpayers are being beaten by economic necessity into the realization that waste and extravagance and inefficiency and corruption are not necessary attributes of government and that if they themselves will give to public affairs some of the time and thought—not to say money—they have wasted on the stock market, the returns will be proportionately greater, individually and socially. For government, which seems to flow on inevitably like a river, is too readily dammed by those who would irrigate their own pastures at the expense of their fellows downstream. And time and thought and funds put into research and education in this field reaps social as well as financial dividends.

All this was thoroughly aired at the Washington conference, devoted to an analysis of the problem of "Financing Local Government in Depression" and a discussion of the solutions. The plural is used advisedly. There is no single solution, no one panacea, no wondrous nostrum that can be taken at a gulp whereupon, behold, the patient is well. The success of any movement for improvement in local government depends upon the application of a number of principles which have been tested by time and experience. Nor is this comfort to political opponents of the city manager plan. For the words, "the city manager plan," are in reality like a label on a box of assorted cookies—most of the principles of successful non-partisan public administration are included therein.

But let the speakers at the annual conference pass in review and tell their own stories:

Must Taxes be Reduced?—I submit there is but one answer to that question and the answer is not the taxes *should* be reduced, it is that they *must* be reduced, because we have reached the end of our financial rope. The cost of all of our governmental functions has reached a stage where it is impossible to raise sufficient revenue to meet it.—*Silas H. Strawn, former president, Chamber of Commerce of the United States.*

Business Has Cut—Can Government Follow Suit?—In any discussion of local government nowadays something like this is heard: "Business has cut down its expenses and government must do the same."

With the last half of the statement that government must cut down its expenses in times like these, I heartily agree. Local government must make a tremendous effort, despite popular objections, to cut its expenses to the minimum. It must purge itself of corruption and political party patronage which cost so much money.

What must be recognized if local governments are sanely and safely to reduce their expenditures to the minimum is that the very fact of the industrial depression adds to the demands upon local government, and not only adds to the demands as represented by expenditures, but adds to the usefulness and to the imperative necessity of continuing, and, in some cases, expanding those services.—*Louis Brownlow, director, Public Administration Clearing House, Chicago.*

The Real Estate Tax is Breaking.—The real estate tax has not yet broken down but it is fast approaching the breaking point because it is already carrying a greater burden than it can economically afford, and cannot take on a further load. Relief can reasonably be expected from two directions—spreading the load over a greater base and lightening the load. At the present time more reliance must be placed on lightening the load than on spreading the base.—*The Hon. Seabury C. Mastick, State Senator, New York.*

Relief Funds Won't Spend Themselves.—A million people—one out of seven in the population—are receiving help at the present time from public or private sources in New York City. . . . There is a current but fallacious notion that relief funds will administer themselves. . . . The history of poor relief administration has demonstrated that without an adequate number of sympathetic and experienced workers, the really needy are often crowded out by those who could look after themselves and public funds are squandered for lack of intelligent supervision. The costs of such supervision are in reality an insurance against waste and an actual saving in the total result.—*William Hodson, director, The Welfare Council of New York City.*

Must the Schools be Sacrificed.—In some communities *the schools* have already been sacrificed and public-school systems are almost everywhere on the defensive. School terms are being shortened. Summer schools are being discontinued. Night schools are being closed. Children are being sent home from kindergartens. Special educational opportunities for the crippled and other unfortunate children are being denied. School districts are refusing to purchase the supplies and textbooks needed for instruction. School nurses are being discharged and other health services of the schools are being discontinued. Playgrounds and other community activities are being closed. Social work and individual counseling in the schools are being so limited that they can no longer function effectively in the guidance of boys and girls.—*William G. Carr, director, Research Division National Education Association.*

Cutting Welfare Costs.—It is possible to reduce the public cost of hospital care for the mental and physically sick by merely refusing to accept additional patients. . . . The cost of care and detention of the criminal can be reduced by turning him out. . . . Welfare costs can be reduced by refusing or neglecting to provide necessary relief for the destitute.—*Frank Bane, director, American Public Welfare Association.*

More Money Needed for Recreation.—Nowhere in our country have recreational expenditures provided the essentials of public-recreation service for all of our citizens. To suggest reductions in our present inadequate service therefore is like suggesting a further amputation for a one-legged man. For our present recreation service is indeed thoroughly inadequate.—*Roy Smith Wallace, National Recreation Association.*

Fire Protection Important?— Of course none of us would contemplate for an instant elimination of fire-department service; nor would we care to consider cutting the cost of this service to the point where safety to life and reasonable protection to property are seriously open to question.—*George W. Booth, chief engineer, National Board of Fire Underwriters.*

Inspection—Vital Function.—There is no better example than the inspectional services in the entire field of municipal administration, of the opportunity to combine in one and the same process, the lowering of the general tax burden and the improvement of service. They can be made fully self-financing if unit costs are held within reasonable bounds. Surely, elimination or ruthless curtailment of services, under such conditions, may be condemned as the lowest form of civic inertia.—*Miss Edna Trull, research secretary, Municipal Administration Service, New York City.*

Planning Future Expenditures.—Long-range planning of public works contemplates the formulation of a capital improvement program several years ahead which correlates physical necessities with financial resources. . . . In the past, haphazard growth of our communities has been the rule. . . . As a protection against increased taxes no sounder method has been evolved than that of long-range planning of outgo in accordance with income and thus determining in advance what the taxes shall be.—*Col. D. H. Sawyer, director, Federal Employment Stabilization Board, Washington, D. C.*

There Must be Mergers.—America has outgrown its traditional governmental units and the time has come when there must be some consolidation of governmental units in the interest of good government and economy . . . . The county was chosen as the governmental unit so that the settler could milk his cow, get to the county seat and transact whatever business he might have there and return home in time to milk the cow without causing her much distress. . . . In my state of Michigan there are 43,000 local public officials.—*Thomas H. Reed, director, Bureau of Government, University of Michigan.*

One Government for One Territory.—Ordinarily neither city nor county boundaries exactly contain the metropolitan community. Ordinarily the metropolitan county more nearly measures the community than the city. Ordinarily the theoretically preferable mode of adjustment is for the cities within the county to transfer to it their most vital functions. Do not these considerations suggest that our best adjustments are but makeshifts, and that our assumption of two local governments in the same community is questionable? I commend to you a recent statement of Dr. Simeon E. Leland, that: "The support of more than one local government in a single territory represents needless economic waste as well as a loss of political responsibility and efficient government."—*Emmett L. Bennett, director, Municipal Reference Bureau, University of Cincinnati.*

Structure of Municipal Government Must be Changed.—The most distressing feature of American municipal government is the failure of citizens either to select or to control their own public officials, and the only cure for this evil is fundamental reorganization of the structure of municipal government.—*Henry Bentley, president, Cincinnati City Charter Committee.*

Saving Through Personnel System.—The absence of a sound personnel system through a properly devised competitive system of selection of public employees based on competence, training and experience is costing the American taxpayers at least a quarter of a billion dollars a year.—*H. Eliot Kaplan, secretary, National Civil Service Reform League.*

Municipal Ownership Proves Itself.—Outstanding among the undeveloped sources of municipal revenue is that of business and non-business licenses and permits, fees, and taxes. . . . With regard to lighting plants there is no question that given similar physical conditions they can be operated under public auspices at least as cheaply as under private ownership. This is no idle generalization, but a statement based on unit cost studies of over a hundred municipal plants.—*Frederick L. Bird, assistant director, Municipal Administration Service, New York City.*

Sales Tax Hits the Poor Man.—A politician who has the interest of the small home owner and rent payer at heart cannot sincerely and consistently urge the substitution of a general sales tax for real estate taxes. . . . To propose substitution of a general sales tax for taxes on real estate as a measure of relief for the small man is an insult to intelligence and an affront to common sense. . . . I see no reason why some stenographer should pay more for her stick of chewing gum or her movie ticket, or why some truck driver should pay more for his cigarette or his seat at the ball game in order to relieve me from paying for the collection of the garbage from my kitchen.—*Robert Murray Haig, Columbia University.*

*

Cutting Costs of Public Health

It would be difficult to get up an argument among those who know anything about the public health service now being rendered by local governments on the issue of eliminating essential disease-preventive measures. Indeed, in time of depression when physical resistance of individuals may be low, public health work assumes even greater importance. It is one thing, however, to say that service must be maintained and another to say that costs cannot be cut. Those who insist that the two statements are one and the same will find a worthy opponent in Dr. Carl E. McCombs of the Institute of Public Administration who has figured out how public health costs can be reduced:

> The only way that expenditures for health personnel can be reduced without serious loss is by reduction of numbers of health personnel and *not* by salary reductions. Three opportunities for economizing health personnel are suggested:
>
> 1. The reorganization of public health departments and other departments of the general government as far as that may be necessary, to permit the complete integration of public health forces and other forces of government capable of using public health services and being used by them. The reorganization of local governments with this as a major purpose should permit material savings in personal service costs.
>
> 2. The coördination of official and unofficial health services under single-headed competent central direction, so that duplication and overlapping of functions can be generally eliminated and specialized health nursing activities replaced by a generalized health nursing service. Competent evidence is already available to prove that such coördinated effort reduces personnel service costs and increases efficiency.
>
> 3. The readjustment of local areas of health jurisdiction so that the health needs of a given population may be met in accordance with approved standards at a cost within the means of the people serviced, without overdependence upon state aid. Fewer units of local health jurisdiction will permit elimination of much local political patronage, improve standards of health personnel, and reduce numbers of special employees.

The professional spirit in the public service is greatly to be desired. The professional public service group who high standard of performance, however, should not be confused with false pride which refuses to permit scrutiny of methods or constructive criticism. Dr. McCombs' intelligent examination of ways and means is an indirect but none the less forceful rebuke to those in any professional public service group who with Jovian assurance declare, "It can't be done!"

Libraries Packed as Depression Continues As the curve of business goes down, the curve of reading goes up! To those cities tempted to chop off the budgetary appropriation for libraries as the first move in a program of economy, this report from the American Library Association Bulletin may be interesting.

> More than a million new readers have found their way into libraries in cities of over 200,000 population in the last two years, and the number of books borrowed from them has reached the unprecedented high of 157,000,000—more than 26,000,000 over figures for 1929.
>
> While these figures are indicative of the increase in reading throughout the country, they do not tell the whole story, for they represent only 44 libraries. Reports received by the American Library Association indicate that the per capita demand for books is equally great in smaller libraries.
>
> Expenditures for library service in the cities noted increased 5 per cent during the two-year period; the number of books available increased 10 per cent; the number of registered readers, 19 per cent; and the number of books borrowed, 20 per cent.

There is more at stake in municipal budgets than dollars and cents. We have to stave off social bankruptcy with one hand while we fight financial bankruptcy with the other. The problem of the unemployed is not merely one of feeding and sheltering 48,000,000 individuals. It is also one of keeping up individual morale.

When buildings decay, we can rebuild them. When bridges collapse, we can rebuild them. When material things disintegrate, they can be reconstructed. But once the morale of an individual has broken down, it is gone forever. More than the stock market crash, more than lost fortunes, more than want and deprivation and hunger—this is the tragedy of the depression.

Schools, libraries, recreation centers—these keep up morale—and the unemployed are using them! Take them away and what then? Be selfish and be afraid. Watch the cost of crime go up.

Municipal governments—more than all other agencies in the country today—are dictating the future course of American life. It is no small responsibility.

HEADLINES

Tax limit proposals are more popular than pumpkins on Hallowe'en this year and just about as intelligent-appearing. Michigan will vote in November on a constitutional amendment limiting the amount of general property taxes for all purposes to one and one-half per cent of the assessed valuation. Another amendment regulating assessment procedure would have the practical effect of allowing taxpayers to dictate their own assessments!

* * *

The Michigan proposal is, of course, a polite way of throwing municipalities into bankruptcy by constitutional amendment. Wolverines seldom play "follow the leader" with the Hoosiers, but they will be so doing if they approve this amendment. The Indiana legislature in special session just adopted a $1.50 tax limit, but, deciding it couldn't work, created another county agency—a board of tax adjustment—with power to raise the rate in emergencies. Another ring added to a circus already big enough to keep eyes bobbing until exhausted.

* * *

Minnesota and Kansas voters will have to decide in November whether they want to pay an income tax. There is little popular objection these days to taking the burden off real estate. The opponents of an income tax, aside from the monied interests that would be hit hardest by it, are those skeptics who think it will merely give government additional money to spend and that no relief to farmers will result.

* * *

Immediate action to create a municipal housing authority in New York City with a view to adopting a program of self-sustaining wage earners' home construction has been urged upon Mayor McKee by the Public Housing Conference, a non-partisan coalition of individuals and organizations. Government has always had the job of cleaning up after the rugged individualists got through. Why not add slums to the list? And catch up with Europe.

* * *

Two California counties will vote in November on the adoption of county manager charters: Mendocino and San Mateo. Chances of the approval of both of them appear excellent. If so, the country will have its first opportunity to see complete county manager government in action.

* * *

With consolidation movements all the rage, it was with some disappointment and chagrin that political scientists received the news that the ancient Spanish towns of Onion and Garlic were to be divorced by decree of the republican government. For centuries Ajo and Cebolla operated under a common council. This was all right in the days of the monarchy, but the combination was too strong for the republic.

Feeding the Hungry

OUTLOOK dark for winter: many cities in desperate straits as millions of dollars pour endlessly into food, clothes, shelter and work programs for unemployed

BY FRANK BANE

American Public Welfare Association

MANY cities have reached or are reaching the limit of their ability to handle the fast mounting relief load that has accumulated during this long continued depression. Private philanthropy and local government together for two long years have struggled with an unemployment problem that is national and even international in its scope. During this last year, several states have made appropriations to aid their political subdivisions in carrying this unprecedented load and now the federal government has come into the picture with a helping hand to states and cities that have done and are continuing to do their utmost. Constitutional limitations, statutory difficulties, and the falling off of revenue from taxation all have hindered the ability of cities and even states to handle this problem.

Statistics compiled by the U. S. Children's Bureau from 125 cities of 50,000 or more population located in all sections of the country make the situation startlingly clear. The total expenditures from 976 agencies and divisions of departments that are giving relief in these cities show an increase for July, 1932, of 87 per cent over July, 1931. This seems more startling when it is remembered that the 1931 annual figures show a 327 per cent increase over 1929. When it is realized that the monthly expenditures of these cities, representing one third of the total population of the United States, were $21,760,238 for the month of July, it is easy to understand why the problem of how cities are to finance the greater winter load takes precedence over usual municipal problems.

Cities of varying sizes located in different sections of the country all show the seriousness of this problem. New York, Chicago, Philadelphia and Pittsburgh, Detroit, Los Angeles and San Francisco, Boston, Baltimore, and St. Louis, or cities of smaller size, all tell the same tragic story of increasing relief loads, families with resources completely exhausted and standards of relief declining. Some of these striking increases, and in a few instances decreases, from July, 1931, to July, 1932, by percentage are, as follows:

ALABAMA	Mobile	+374.2
CALIFORNIA	Los Angeles area	—71.2
	San Francisco	+266.6
COLORADO	Denver area	+157.5
DELAWARE	Wilmington	+2,151.5
DISTRICT OF COLUMBIA	Washington	+107.1
ILLINOIS	Chicago	+298.0
INDIANA	Ft. Wyne area	+260.2
LOUISIANA	New Orleans area	+1,012.5
MASSACHUSETTS	Boston	+75.1
	Fall River	+204.7
MICHIGAN	Detroit area	—23.5
MISSOURI	Kansas City	+398.9
NEW YORK	Buffalo area	+143.7
	Syracuse	+162.4
	Yonkers	+303.6
NORTH CAROLINA	Asheville	+241.7
OHIO	Cincinnati	+165.5
	Columbus	+237.8

PENNSYLVANIA		
	Chester area	+472.7
	Philadelphia	—54.3
	Pittsburgh area	+161.9
WASHINGTON		
	Seattle area	+608.1

Certainly federal aid has come none too soon.

CHICAGO'S SERIOUS PLIGHT

Chicago (Cook County) has come to the end of its resources time after time and has been assisted by the state and recently by the federal government. Conditions were so serious that the Reconstruction Finance Corporation made $3,000,000 available as their first grant on July 27. At that time the Illinois Emergency Relief Commission had only enough funds left from their $18,750, 000 fund to last a few days. Soon the $3,000,000 were exhausted and another grant of $6,000,000 was made to carry the state through to the first of October, most of this being made for the Chicago area. Another grant of $5,000,000 was necessary before October 1.

Conditions in Chicago have been steadily growing worse—relief agencies had an additional 8,000 families to care for during the usually quiet month of July. Expenditures for this month were nearly $3,000,000. About 100,000 families (approximately one half million persons) received aid, the average grant amounting to $23.78 per family. In October it was necessary to make a drastic cut in this allowance. Rents are not paid by the relief agencies and housing in certain sections is unspeakably bad. The unemployed number between 600,000 and 700,000 or about 40 per cent of the employable workers with more and more of these being forced to ask for relief. It is estimated that at least $35,000,000 will be spent in 1932 for an inadequate job and that adequate relief would cost at least $50,000,000. The gross bonded debt of Chicago amounted to $364,174,690 in 1932 which is an increase of $109,106,290 over 1929.[1] Tax collections for 1931-1932 amounted to only 52 per cent and taxes for 1930-1931 have not yet been collected.[2]

DETROIT CUTS IN FACE OF NEED

In Detroit the public welfare department has been operating on credit since March, 1932, with current bills unpaid totaling $2,650,000. The city has been unable to dispose of the remaining $1,800,000 of the $10,000,000 authorized bond issue. Because of this and because it would be impossible for the state to take action in time to meet the emergency, the R. F. C. made $1,800,000 available in Detroit. This is expected to carry the relief load into October.

Although need has steadily increased, the amount expended in Detroit has been contracted because of the serious financial situation. Prior to last winter, the city met expenses for relief at the end of each month, all applicants were given attention and relief was liberal. In July, 1931, $7,000,000 was appropriated to run until July, 1932, this being half of the expenditure for the previous year. This meant reorganization of the city department on a "Survival basis." Economy was made necessary by a tax delinquency of $13,000,000 on a tax budget of $76,000,000 for the year ending July 1, 1931, and an anticipated delinquency of $20,000,000 for the year ending July 1, 1932. No further local taxation is now being considered since delinquency on present taxes is running 25 per cent. Measures of state relief are deferred until the legislature meets in January, 1933.

In January, 1932, the city was caring

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[1] All of the figures for bonded debts in this article are taken from "The Bonded Debt of 241 Cities as at January 1, 1929"—NATIONAL MUNICIPAL REVIEW, June, 1929, and "The Bonded Debt of 289 Cities as at January 1, 1932"—NATIONAL MUNICIPAL REVIEW, June, 1932.

[2] (From the *Weekly Bond Buyer* Aug. 27, 1932.)

for 48,000 families. By August this number had been reduced to 21,500 families with relief given at the rate of 15 cents per day per person. Part of this lowered case load in the fourth year of the depression is accounted for by the fact that about 200,000 people have left Detroit within the past eighteen months. It is no longer possible to maintain standards of living on a case work basis but only on an emergency subsistence level.

"STARVATION" IN PHILADELPHIA

The situation in July, 1932, in Philadelphia was described by the Community Council as one of "Slow Starvation and Progressive Disintegration of Family Life." Unemployment has averaged from 40,000 to 50,000 in recent years but by May, 1932, this total had reached 298,000. In June the governor of Pennsylvania estimated that 250,000 persons in Philadelphia "faced actual starvation." Food allowances have steadily dropped as the relief load has increased and no provision is made for rents. There has been a determined opposition on the part of taxpayers' organizations to increasing relief appropriations which can only be carried by an increase in the tax on real estate. The gross bonded debt for the city shows an increase of nearly $78,000,000 from 1929 to 1932. Since April, when private funds were exhausted, the main burden of relief has been carried by the special state appropriation which was exhausted in July. July expenditures were only $120,000 as compared to over a million dollars in June, 1932, because of this shortage. The city machinery for relief lapsed for two months until additional state funds were appropriated. Federal funds were finally made available in September.

OTHER CITIES DESPERATE

Pittsburgh likewise has an increasingly serious problem with 178,000 unemployed and 30,000 on part time work, and relief expenditures for 1932 about three times that of 1931 although grants have been seriously reduced. Emergency appropriations from city and county have permitted relief to continue when state funds were exhausted. A work relief program ran from November, 1931, to March, 1932, during which time over $1,000,000 raised by private subscription was expended for employment.

In Washington, D. C., a division of emergency relief was established in the board of public welfare during August, 1932. During this first month, applications came in at the rate of 200 and 300 a day, amounting to 7500 applications by the end of the month. Since only $60,000 a month is available until the next Congress meets and the load has been increasing, it has been necessary to cut the rate of relief about 40 per cent in order to take care of the increasing numbers. Work relief is being given through a private agency with the public department referring their clients for work on a case work basis. The Community Chest in Washington has also been forced to cut its budget 10 per cent, hoping that this deficiency will be met by a grant from Congress.

In Boston the amount spent on relief almost doubled this last year. For July, 1932, this amounted to over $1,000,000 as compared to $600,000 for the same month the previous year. Practically all of this is expended by the city public welfare department. During the past three years the gross bonded debt has increased nearly 10 per cent from $144,000,000 to $158,000,000. Tax collections for 1931 were 81.6 per cent. ("Financial Facts and Figures"—Auditing Department—City of Boston—April 11, 1932.)

MILLION UNEMPLOYED IN NEW YORK

New York City has a huge relief program with 1,000,000 of the city's 3,200,000 working population unemployed.

Relief has been given on a "Disaster Basis" with disastrous effects on the population. Expenditures are running about $6,000,000 per month. The need is growing and $75,000,000 is considered a conservative estimate for the next twelve months. Combined city and state resources have been necessary to meet these needs.

In up-state New York the municipalities have been extremely fortunate in having the able assistance and financial support of the state temporary emergency relief administration. The state refunds 40 per cent of the money spent for outdoor relief and a proportion of the expenditures made for work relief in the local communities. In all of these cities the amount spent for 1932 is two or three times as great as for the corresponding period in 1931.

Buffalo expects its present funds to last until December 1, 1932, when it will raise enough on a bond issue to carry through the present fiscal year ending July 1, 1933. Buffalo's gross bonded debt has only increased about 7 per cent during these last 3 years and tax collections were 92 per cent for 1931,[3] so Buffalo should not find it difficult to raise this money.

In Rochester the public welfare department spent its 1932 budget in less than five months. The economy program of the city administration and legal restrictions on the amount of money raised for current expenses have hampered the program.

In Syracuse the public welfare department budget was exhausted in September. The food allowance had been reduced to 11 cents per person per day. Housing congestion has intensified and living standards were lowered. The expenditures for outright and wage relief had almost tripled during the year. The gross bonded debt for the year increased nearly 15 per cent from 1929 to 1932. Tax collections for 1931 were 87.6.[4]

OHIO CITIES SPENDING MILLIONS

Ohio cities also report serious conditions. In Cincinnati (Hamilton County) the taxing bodies spent $1,400,000 for the first six months of 1932. In August an additional $1,000,000 in bonds was issued to be sold for use during the next three or four months. The relief load has been running between 20,000 and 30,000 with the maximum reached being 31,000. Standards of relief have been radically reduced so that the average relief given is only about $5.00 per week per family. In April the city had over 700 evictions. The May census shows that only one half of the working population is employed on a full time basis. Some idea of the decline in living standards can be guessed by the fact that payrolls declined about $96,000,000 during the last year and only about $2,000,000 was given for relief. The present funds are expected to last until the first week in December. There is no expectation that sufficient funds will come from private sources and there is at present no provision for direct state relief. A very small increase was shown in the gross bonded debt in the past three years and tax collections have held up better than in most cities.

Cleveland has had great difficulty in balancing its budget during the past year. The legislation passed at the special session of the state legislature relieved the situation somewhat. It is estimated that at least 40 per cent of the workers are unemployed in the county. Of the 65,000 families who have no breadwinner, about 24,000 are being cared for by relief agencies, but an increasing number have used up their savings or can no longer depend on relatives. On September 24 the R.F.C.

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[3] (*Weekly Bond Buyer* June 18, 1932.)

[4] ("Annual report of the Comptroller." City of Syracuse, N. Y. 1931.)

made $2,807,000 available for Cuyahoga County and the city of Cleveland to meet their emergency relief needs until the end of the year. Local resources are said to be exhausted. Advantage has been taken of all regular and special levies, reallocation of gas tax and motor vehicles license fees, special community fund appeals and transfer of funds from other welfare purposes to relief, and bond issues under three different legislative acts. Special emergency relief funds amounting to $8,445,000 have been provided since January, 1931, with an additional $5,000,000 for work, medical and institutional relief.

In Toledo, city relief funds coming from a special one and one half million tax levy were exhausted by July 1. This levy should have created a fund of $800,000, but due to delinquent taxes only $400,000 was received. Expenditures are running over $100,000 per month, although the city has resorted to a commissary distribution of the cheapest grade of foods at a cost of 6 cents per person per day. The present load runs about 9,000 families with an estimated load for this next winter of about 15,000 families.

FUNDS FAIL IN ST. LOUIS

St. Louis, Missouri, is having an unusually bad time. Last winter one-third of the employable persons were without work. Although applications for relief were increasing, agencies were forced by lack of funds to drop 8,000 families on July 1 and another 5,000 on July 15. The city petitioned the governor to appeal for a $2,000,000 fund from the R. F.C., estimating that this would not suffice for the winter. Only $628,930 was advanced to meet current emergency relief needs as the citizens are to vote on a bond issue of $4,600,000 on November 8. This advance is supposed to cover only the intervening period before the proceeds on the bond issue are realized.

During the "crisis" campaign last spring the city pledged $600,000 for relief and another advance of $200,000 was made when this was expended. Tax legislation to meet these advances has been passed which is expected to produce $1,000,000 by July 1, 1933. The city can assume no more obligations against municipal revenue and has also reached the limit of its taxing power. State funds cannot be made available. Across the river the East St. Louis conditions are even worse, as 60 per cent of the workers are unemployed.

Conditions in industrial centers in the south are also serious. In Birmingham, Alabama, there were 12,000 tax delinquencies and there had been 6,000 tax sales by the first of the year. Although the city has been paying for the relief given, this has been administered by the Red Cross. The food allowance has been less than $4.00 a week for a family. City and county treasuries were in such serious condition that additional funds could not be made available in August. In certifying their needs to the R.F.C., the governor gave supporting data to show this, also their lack of power to issue or assume obligations and the lack of market for such obligations if issued. As a result of this extreme situation, $225,000 was made available to the city of Birmingham and county of Jefferson to meet these current relief needs.

DEPRESSION HITS THE WEST

Although the west was slower to feel the effects of the depression than other sections, it is now fully sharing the general situation. In Denver the city's charity budget for 1932 was exhausted by the end of April. The mayor turned over an additional $1,000,000 to last until September 1. The special unemployment fund of $452,700 which was raised by private subscription last November was exhausted by spring and the committee $100,000 in debt by the time an additional $175,000 was raised. During July, 1932, a total of $61,056 was spent which represented an increase of 157.5 per cent over July, 1931. Work relief in the form of lumber camps accounted for nearly $12,000 of this expenditure.

On the west coast, Portland, Seattle, San Francisco and Los Angeles are all having their difficulties. Seattle (King County) has had $675,000 made available by the R.F.C. Supporting data accompanying the application of the governor estimated the needs of King County during September, October, and November at $1,375,000. Of this total, $600,000 will be covered by local governmental funds and $100,000 by private contributions in addition to the $675,000 from federal funds. Without this aid relief would have depended upon their ability to cash warrants and such warrants were selling at a large discount when application to the R.F.C. was made. The amount expended for relief in July, 1932, was $187,518 as compared to $26,483 in July, 1931, representing an increase a little over 600 per cent. Constitutional difficulties make it impossible for the state to assist at this time.

Portland, Oregon, has nearly 40,000 unemployed and over 13,000 families on relief. Of the $170,442 for relief given there during July, $124,112 was in the form of work relief.

Last winter Los Angeles had more than 150,000 unemployed, of whom 60,000 were heads of families. Funds have been running low so that the amount spent for relief in July, 1932, was actually 71.2 per cent less than that spent during July, 1931. Los Angeles has recently voted a $12,000,000 bond issue to meet this situation. The transient problem has complicated relief in Los Angeles to an unusual extent. The total relief for the San Francisco area in July, 1932, was $610,110 as compared to $166,441 in July, 1931, or an increase of nearly 300 per cent. A large proportion of this is given in the form of work relief. San Francisco has recently voted a bond issue of $6,500,000 to meet these increasing expenditures.

Lack of space prohibits discussion of similarly critical situations in many more cities. Enough has been said, however, to emphasize that we are struggling with a national calamity, occasioned by forces and circumstances above and beyond the control of municipalities. It has been demonstrated that national assistance on an increasing scale is a necessity if the financial integrity of municipalities is to be safeguarded and if relief is to be "furnished for needy and distressed people."

Tammany Totters But Triumphs

MOST serious threat to Manhattan machine since days of Tweed prosecution collapses in a last minute deal

BY JOSEPH D. McGOLDRICK *Columbia University*

THE protracted investigation into the affairs of New York City and its popular mayor, James J. Walker, was brought to an abrupt and unexpected close on September first when Mr. Walker resigned to seek vindication.

The mayor and his counsel had been having an unhappy time of it in the hearings before Governor Roosevelt. The governor had accepted the communication which Judge Seabury, counsel to the legislative committee, had transmitted to him as constituting charges against the mayor. It was insisted on Walker's behalf that these proceedings were in fact a trial and that he was entitled to be confronted with witnesses against him. The governor refused to take this viewpoint, but insisted that since these matters had been testified to under oath before the legislative committee, he was entitled to question the mayor about them. He offered to permit the mayor to ask for any witnesses whom he might question, but refused to require that the entire testimony be reproduced and the witnesses subjected to cross-examination before him.

This, among other things, was fixed upon by the mayor and his counsel as evidence of prejudice in the governor's mind. From the very outset of the proceedings, they took the attitude that the governor was essentially hostile and that he had already made up his mind to remove the mayor. It seems almost needless to say that there was no evidence that remotely suggested that the governor had in fact made up his mind, and no impartial observer could possibly object to the manner in which the proceedings were conducted.

NOT ANOTHER "JIMMY"

Under the city charter, the office of mayor being vacant, the president of the board of aldermen, Joseph V. McKee, assumed the duties of the office. The president of the board of aldermen is elected by the city at large in the same manner and at the same time that the mayor is elected. In his seven years in this office, Mr. McKee had had many opportunities to understudy his illustrious and itinerant chief. It was no secret that he hoped to succeed him next year. The two, of course, are very different sorts of persons, as one would expect since they were run on the same ticket. Mr. McKee's manner is serious, and his personality somewhat colorless. He is accustomed to apply himself with unusual diligence to his work. Some years ago he taught Latin and Greek at Fordham University while studying law, and he is frequently taunted with having a school teacher's mind.

Mr. McKee belongs to the Bronx County Democratic organization. The Bronx happens to be next to the smallest of the five counties which now make up Greater New York. The Democratic organizations in each of these counties are independent of the New York County organization, which is better known as Tammany Hall. The influence of Tammany does not extend to these four counties, but the Tammany organization has long been the most powerful, and it has been customary for the other county leaders to defer to the Tammany boss as their spokesman in external matters. "Ed" Flynn, Bronx County boss, is secretary of state in New York, and next to Farley, the most important adviser in things political of Governor Roosevelt.

TAMMANY SEES REEFERS AHEAD

The situation as it stood on September second, might be summed up as follows: Governor Roosevelt, against whose nomination Tammany, under the leadership of Curry, had fought to the last ditch, seemed definitely headed for the White House. Lieutenant Governor Lehman seemed destined to succeed his close friend Roosevelt at Albany, and now Mr. McKee, who with his leader Flynn had fought for Roosevelt at the Chicago convention in defiance of Tammany, was to occupy the office of mayor. There was every prospect that Mr. Flynn would be continued as secretary of state by Mr. Lehman, and that as such, he would control the disposition of Mr. Lehman's state patronage in New York City, Roosevelt's federal patronage, and McKee's municipal patronage in New York City. In short, he would be the boss of New York City, if not of the whole state, and the hegemony of Tammany among the county organizations of Greater New York would be at an end.

Faced with this desperate situation, the pundits of Tammany Hall searched the statute books and concluded that the law required that a successor to Walker be immediately elected. This would furnish Mr. Walker with abundant opportunity to seek vindication at the hands of the voters and at the same time save Mr. Curry from the threat of a Bronx mayor. The city board of elections, therefore, obedient to these counsels, ordered an election. Mr. McKee and his friends at once challenged this proposal, and the court of first instance concluded that Mr. McKee was entitled under the charter to serve out the remainder of the Walker term, until December 31, 1933. The Appellate Division of the Supreme Court, two weeks later, reversed this ruling. The legal question was admittedly an exceedingly close one. Most lawyers were persuaded that there was no clear law on the subject, and the decision could well go either way. The time for holding conventions and filing nominations was rapidly coming to an end. The last day for so doing would be October 11. The Tammany leader, therefore, with his colleagues from Brooklyn, Queens and Richmond, issued a joint call for a city convention on the evening of October 6. The Bronx leader refused to join in this call.

ANOTHER JUDICIAL BARGAIN

Meanwhile, the Republican and Democratic judicial conventions in the first judicial department, combining Bronx and New York Counties, met to select Supreme Court nominees. To the community's considerable astonishment, the two conventions simultaneously chose Senator Samuel Hofstadter, Republican, and Aron Steuer, Democrat, son of the well-known Max D. Steuer. Senator Hofstadter was chairman of the State Legislative Investigating Committee, whose work had led to Mayor Walker's resignation. That he of all people should be named in a bi-partisan deal was profoundly shocking to thoughtful citizens of the New York community. The Bar Association of the city of New York by a vote of 580 to 20 declared that this action on his part rendered him and Steuer unfit for judicial office. In nominating Hofstadter, Boss Curry was able to pay Governor Roosevelt additional insult, since the place that he gave to Hofstadter was taken from Judge Rosenman, former counsel to the governor, whom Roosevelt had placed on the bench last spring. The Hofstadter deal was at once taken as a signal that leader Curry would fight Roosevelt on the selection of Lieutenant Governor Lehman as his successor at Albany.

The Hofstadter nomination not only served to discredit in the eyes of many persons the Seabury investigation, but it removed one of the strongest Republican vote getters and most popular Hebrews from the possibility of participation in the state or city tickets.

The fight to defeat Lieutenant Governor Lehman was not based upon religious antipathy, since it is well known that Tammany has never hesitated to advance Jews for public office, and in fact, sought afar for a Jewish candidate to put forward in his stead. The difficulty seems to have been a feeling that as governor, Mr. Lehman would not be sufficiently tractable to Tammany leadership, and he had incurred the extreme displeasure of the bosses in Albany County by his refusal to participate in the pardon racket. To this may be added the fact that the Curry and Walker groups, despite all outward professions, have no love for Governor Roosevelt and they were fully aware that the governor was eager to have Lehman succeed him because of his faithful and self-effacing assistance to him at Albany.

They failed to reckon, however, with Al Smith's strong obligations to Lehman. It was through Smith that Lehman entered politics, and Lehman is reputed to have contributed upwards of half a million to various Smith campaign funds. If the Tammany leaders believed that the coolness between Smith and Roosevelt would prevent the former from working for Lehman, they made a mistake. The result was a complete rout for Boss Curry at the Albany convention, and a healing of the Smith-Roosevelt breach. So complete was the rout, that for the moment it appeared that Mr. Curry's leadership was floundering. To some it had seemed that in opposing Lehman, Curry had been seeking promises from Roosevelt and Smith that would enable him to run Walker in the municipal election. He not only failed in this, but it now appeared that Roosevelt and Smith would be able to defeat the Walker supporters and perhaps topple Mr. Curry from the Tammany throne.

TAMMANY ON THE DEFENSIVE

As the day of the city convention approached, the gossip had it that Mr. McCooey, the Brooklyn leader, who had deserted Curry at Albany to support Lehman, would now work out a bargain with Flynn, that would gently remove Curry from the picture.

Four hours before the convention assembled, the Court of Appeals, New York's highest tribunal, decided that the law required an election to be held in New York City to fill a vacancy occurring more than thirty days before the next regular election. That evening, October 6, the members of the county committees of the five counties of Greater New York, assembled in the Madison Square Garden arena.

The leaders had come to no agreement. The air was thick with rumors. Some had it that the convention would stampede to Al Smith. With nothing else to do, the leaders determined to have a roll call of the 32,000 committee members present. The delegates were restless and impatient. People were wondering whether they were attending Tammany's wake. But the Tiger has at least nine lives—at 11 o'clock, Messrs. Curry, McCooey and Flynn entered smiling broadly, and the delegates presently learned that their choice

(*Continued on p. 640*)

Racketeering—an Alliance Between Politics and Crime

WHEN accurately defined racketeering is seen to be a new arrival upon the criminal scene

BY GORDON L. HOSTETTER

Employers' Association of Chicago

THERE is scarcely a commodity exposed for sale that does not cost more because of racketeering. The citizens of Chicago alone pay $145,000,000 a year in tribute to this new monster. The city budget of Chicago is only about $20,000,000 more—or $165,000,000. As not less than $20,000,000 is required by the Chicago city administration to deal with the direct and indirect effects of racketeering, I think it may be argued that racketeering costs Chicago a yearly extortion toll equal to the cost of the whole city government. Throughout the country the total tribute paid to racketeers reaches an appalling total.

RACKETEERING DEFINED

You will find in no dictionary a defination of "racket" that contains the sinister connotation which the word carries to the initiated of the underworld, or to those who have been forced to fight the rackets or submit to the intolerable evils which have come to wear this label. A real racket is a conspiracy to control an industry or a line of trade and to commit extortion by intimidation, force, violence, blackmail, arson, murder, kidnapping, bombing, and other forms of coercion.

At first racketeering was believed to be a form of graft or extortion seized upon by a few professional criminals as an easy and rapid method of procuring needed personal funds until some more lucrative form of crime became available to them. It was thought that racketeering was not a part of the main body of crime, and that it would quickly pass after exposure and a few prosecutions.

We have been disillusioned. We found that it was deeply rooted in corrupt politics. We discovered it was a definite and formidable part of, and drew much of its strength from the general structure of crime. We traced its ramifications into otherwise respectable departments of society and found them so extensive that the setting up of plans to combat it was exceedingly difficult. In short, we proved racketeering to be a new attack on society, a critically dangerous manifestation of the oldest vice of man—*greed.*

It is important to understand precisely what the word "racket" means. To the man in the street, every form of crime now is a racket—"gyp" games, "slick" schemes, fraudulent advertising, bootlegging, counterfeiting. Certainly all these are inimical to the welfare of society, but the word "racket" means more than this. Traced to its original meaning, it is always found to suggest force; extortion, coercion, the application of intolerable pressure in some form, is always implied.

THE EVER-PRESENT CLOAK OF RESPECTABILITY

Another fact of profound importance—perhaps the greatest in importance—is, that racketeering always parades itself under a cloak of respectability. No racket has yet been discovered and exposed that did not present itself as having a worthy economic or social purpose. Rackets do not declare themselves as such. Bootlegging, for instance, is exactly bootlegging, admittedly criminal in its violation of the law. Whisky and beer runners admit the illegality of their profession. Racketeering is, on the other hand, a mental condition, a philosophy of economics, translated into a course of action, and seized upon by business men and labor leaders as a quick solution of their problems of competitive conditions and labor organization control. It is by no means an invasion of alien criminals who, by sheer force of numbers, by capacity for violence, and by cunning in devilish devices extort from business and the public a criminal tribute. Racketeering is an inside job and a native American product, for which business itself is too greatly responsible. The power and spread of the evil is traceable in great part, therefore, to the subtlety of its operations and the respectable appearance of its abiding place.

RACKET PERSONNEL

The true racket is comprised of four elements:

1. The business man, business group, or association of business men;
2. The leader or leaders of organized labor;
3. The criminal underworld;
4. The politician.

The collective purpose of this conspiracy, obviously, is exploitation of the public. But, breaking it down into its component parts, what do we find, by experience, to be the purpose of each factor? Let us examine them in the order named:

The business man seeks to create and maintain for himself and a favored few a monopoly in his particular field of service or trade. He seeks, through the pressure that can be brought by politicians in the misapplication or thwarting of the law, and through the withdrawal or withholding of labor by union leaders, to embarrass his competitors to the point where they will either recognize and abide by racket rules and edicts or quit the field of competition. He seeks to maintain an arbitrary, and usually artificial, price for his commodity or service, through forcing universal recognition of his particular notion of what constitutes a satisfactory price. He seeks even to dictate the enactment or application of laws that govern his business.

The leader of organized labor who betrays his trust and lends himself to a racket seeks first a monopoly of control over the workmen engaged in a given trade. This insures to his treasury the dues of all men of that trade, or creates a situation by which he may dispense the right to work under the "permit" system, at so much per man per day. Moreover, it enables him to manipulate his man forces to the advantage of his co-conspirators, the business man or the politician or both, and to the discomfiture and disadvantage of business men who dare to assert independence of the racket.

The politician by paralyzing the hand of the law, is of course, looking to compaign contributions, organization work, and votes at election time, and frequently also to participation in the profits of the conspiracy.

The criminal underworld finds lucrative employment to bomb; to commit arson; to slug, main and kill; to terrorize an entire community into staying away from the polls at election time, and to fraudulent voting and terroristic practices at the polls.

It is an astounding fact that at one time in Chicago there were 163 rackets of the character described. This means, of course, that at least that many lines of human endeavor were being operated by and controlled through conspiracy. There is not an avenue of endeavor in Chicago which is not now or has not at some time felt the pernicious effect of racketeering, directly or indirectly. New York, Cleveland, Detroit, St. Louis, the Twin Cities, Denver, Los Angeles, have experienced it, and at this very hour can feel the grip of rackets tightening on the throats of various trades and lines of industry.

RECENT CHANGE FOR THE WORSE

Racketeering as just described has undergone a rather considerable change during the past two years; a change for the worse if that were possible. Whereas several years ago organizations of business men and organized labor were principally responsible, with the criminal acting merely as a tool or an agent, the criminal is now gaining the ascendency. What is more alarming, organized criminality is directing its efforts toward the control of business and labor as a means of perpetuating itself —when, as, and if, and possibly regardless of whether, its peculiar field of activity is destroyed by repeal or modification of the eighteenth amendment. Open declarations of this intention have been made by some of the country's most notorious criminals, and sufficient evidence is present to indicate the success of their programs.

PART PLAYED BY UNSCRUPULOUS LAWYERS

Many causes may be ascribed for the phenomenal growth of this economic monster. One cannot address himself to this subject without dealing at least briefly with the part taken by unscrupulous members of the legal profession in the development and spread of racketeering. In fact, some rackets are founded upon clever legal instruments creating organizations or structures which in themselves are not illegal, but which (I believe) were drawn with full appreciation of the fact that they would be impotent except as the rule of force were employed in making them operative. I know of one instance where a fee of many thousands of dollars was paid to a lawyer of high political prestige to devise an instrument which almost immediately it was adopted by his clients became "scenery" merely behind which to carry on a city-wide program of terrorism. Examine into the heart of practically all conspiracies of this character and you will nearly always find there a lawyer, or a group of lawyers, guiding, protecting or otherwise assisting the racket. Indeed, some rackets have had their very genesis in legal quarters.

These facts raise a serious interrogation concerning the ethics of the legal profession. To one who is not a lawyer, the attitude of this profession toward the whole field of organized criminality is somewhat bewildering. Laymen often wonder if any two members of the legal profession could themselves agree upon a code of ethics toward a given criminal situation. We have seen the extent to which some lawyers have lent themselves deliberately to the machinations of organized crime. We know in some measure the extent to which they have twisted and distorted the law to suit the peculiar and particular purposes of a criminal clientele. We know something of the abuses of habeas corpus. We are aware of the tremendous effectiveness of that much abused weapon —the "continuance." So widely and effectively is this used and abused that it has become anathema to complainants in criminal trials, a solace to the criminal, and a source of repeated fees to his lawyer. The layman is aware of the fact that every criminal gang worthy of mention has its high priced legal counsel. We know that this legal talent is definitely depended upon to "fix" or otherwise prostitute the law to suit criminal purposes. The layman also sees the lawyer in the legislature, in the congress, in the courts, and in the various agencies of law enforcement. To the layman the lawyer is the law personified. But the layman sees also the almost total absence of disciplinary control by the legal associations over the actions of members of the bar. Some lawyers, having been convicted of violation of federal law and having served sentences in federal penitentiaries, have returned to what seems a full fellowship of the bar.

THE COST OF RACKETEERING

The cost of the racket is incalculable. There is not a statistician in the country who would be able to trace the myriad ways in which racketeering and other criminal tribute finally is levied upon the citizens. A federal judge is authority for the assertion that crime costs the people of the United States somewhere between $11,000,000,000 and $13,000,000,000 per year. This is a stupendous figure. This crime bill is greater than the total cost per year to the United States of carrying on the World War. If this money were immediately available for public works and other constructive enterprises there would be no unemployment this winter in America.

Racketeering constitutes no inconsiderable part of this total cost, as shown by one example—the bombing record in Chicago alone, without including other cities. The estimated property damage caused by 500 bombings in Chicago during the past five years is $1,077,369, or an average of $2,155 per bombing. Seventy-eight bombings in Chicago during the year 1932 have caused a property damage of $110,800, or an average of $1,420 per bombing. This is without attempting to evaluate lives—rackets in Chicago have been responsible for nineteen murders of business men, labor leaders, and others in the past four and one-half years. New York, Cleveland, Detroit and other cities have equally nauseous records.

This is a harsh picture. But I have understated it to make it credible.

TAMMANY TOTTERS *(Continued from p. 636)*

for mayor was John P. O'Brien, Judge of the Surrogate's Court, life-long Tammany man, and a close friend of Mr. Curry! What happened in that conference has apparently not yet reached the stage of "Now It Can Be Told." But Acting Mayor McKee, who was being urged to bolt and run as an independent, accepted the result with apparent equanimity.

THE TIGER SMILES AGAIN

Mr. O'Brien has a reputation as a solid respectable member of the Tammany organization. Never considered one of its intellectual ornaments, he none the less is a person of good repute in the community. Little known to the New York public, although rather favorably in political circles, his name will be guarantee enough for a large segment of the New York electorate. As mayor, he cannot hope to provide the entertainment that Jimmy Walker gave the town. He is part and parcel of the Tammany system and believes in the patronage structure. On the other hand, he has a reputation for honesty and courage. He is a distinctly positive sort of person, and he knows too much of politics to be readily hoodwinked.

The unanimity of the five Democratic leaders and their convention robbed New York reformers and mugwumps of all hope that they might have had of turning the Walker scandals to greater advantage. The Republicans met two nights later, and lamely nominated the highly respected and somewhat aged Lewis H. Pounds. There is no question of Mr. O'Brien's election.

Indiana Adopts A Tax Limit Law

New "Indiana plan" won't work and satisfies nobody but there it is!

BY VIRGIL SHEPPARD *Toledo, Ohio*

Indiana has a new plan which promises not only to be discussed as much as the old but probably a great deal more. For public officials know the plan will not work and Hoosier taxpayers are unfortunately due to find out that they can't have government without paying for it.

A forty day special session of the legislature this summer placed a limit of $1.50 upon each $100 of taxable real and personal property in the state, limiting the rate for state purposes to 15 cents, and leaving the remaining $1.35 for the operation and debt obligations of the schools, townships, counties, towns and cities. The average tax rate in Indiana this year was approximately $2.80 on a total valuation of $5,073,600,000. Reappraisement of this year will decrease the valuation to a little more than $4,000,000,000, a 20 per cent reduction. The taxpayer whose tax bill was $28 on property valued at $1000 will, if the $1.50 limit is enforced, pay in 1933 only $12 for the support of state and local government, a decrease of 43 per cent.

AN IMPOSSIBLE REQUIREMENT

Of course, it can't be done. And legislative leaders, realizing the impracticability of this law but wanting to respond to pressure for economy, placed in the law a provision that in an emergency—the term was not defined—the rate of any local unit can be raised.

It is in the machinery set up for increasing the rate above the $1.50 limit that Indiana again gives the world a new plan. In each of the 92 counties in the state a board of tax adjustment, comparable to the county budget commission in Ohio, is set up. This board is composed of the county auditor, three members chosen by the county council and three by the circuit court judge. Like the Ohio county budget commission, this board has as its first duty paring the requests of all local units so as to bring the total rate on county property within the $1.50 limit, of which 15 cents, of course, goes to the state government.

But unlike the Ohio agency and apparently unlike any agency in any other state the new bill provides that upon the declaration by any local unit, that an emergency exists, the board may fix a higher rate for that unit. There is no limitation as to how high the rate can go. With a decrease in taxable values, it is probable that in many local units the rate may be considerably larger than it is for the present year.

ANOTHER BLOW TO HOME RULE

The new law also takes away much of the little amount of home rule that local units have enjoyed in the field of taxation. Formerly each unit fixed its own tax rate, subject to state laws requiring certain mandatory levies and other minor limitations. To this extent, there was home rule in the levying of property taxes, although any ten or more taxpayers could appeal to the state tax commission under the "Indiana Plan" for a reduction in the local budget, which might, perforce, reduce the tax rate. Under the recent law the power to fix tax rates is practically taken away from the legislative body of each subdivision—schools, counties, townships, towns and cities—and given to a new county agency super-imposed on all existing governmental agencies.

Upon this board there are no representatives of the schools, townships, cities, towns or villages. Urban interests will inevitably be made subservient to the wishes of a county agency which in most counties of the state will be in the hands of rural-minded officials. The inevitable conflict will be extremely interesting. What a wallop a rural-minded board in Allen County can give to "them gol-darn tax spenders in Fort Wayne."

In its effort to make an almost impossible law appear to work the Indiana legislature enacted two other measures which will help to reduce the burden on real property. First, fifty per cent of the revenues from gasoline taxes and from motor license fees are to be diverted to the treasuries of counties and cities on a road mileage and population basis for road maintenance and construction. Now, only one-fourth of the gasoline taxes are so diverted. Second, the legislature ordered an arbitrary reduction in expenditures for personal services to 90 per cent of the 1931 amount for every governmental unit including the state. To make certain that this reduction would be made not only by laying off employees but by reducing all salaries over $1200 on a graduated scale, the following formula was adopted:

Divide the annual salary by 100
Multiply the result by .0025
Subtract that answer from .99.
Multiply the salary now received by the figure so reached and the amount so ascertained will be the new annual salary for 1933 and 1934.

The plan reduces salaries on a really graduated scale running from 4 per cent on a $1200 salary to 26 per cent on $10,000.

STATE GOVERNMENT IN A HOLE

In fixing the tax rate for state governmental purposes at 15 cents against 29 cents for 1932 with no provision for an emergency levy, the legislature has made it impossible for the state to operate next year without creating a large deficit. With a reduction of 20 per cent in the taxable values the general property tax revenues for 1933 will be reduced from between $14,000,000 and $15,000,000 to around $6,000,000. Even with decreases ordered in salary expenditures, it is inconceivable that all the state departments, the many penal an eleemosynary institutions, and the two large state universities and normal schools can be operated without supplying income from additional sources. The legislature failed to provide any additional source, as proposals for a tax on personal and corporate income and a tax on retail sales were defeated and the state has no borrowing power under its constitution.

This serious situation was the result of bitter partisan politics. The Democrats, who controlled the lower house and with some rural Republicans had a working majority in the senate, earlier in the year placed a $1.50 limit in their state platform. The Republican governor, not a candidate for reëlection as he cannot succeed himself, upon insistent demands from the farmers and realtors, called a special session of the general assembly to legislate on a program of reduction in governmental expenditures for 1933. The Democrats were "caught" with the $1.50 promise and had to make good before the November election. They passed the bill, counting on the Republican governor to veto it. Presumably recognizing the tight position in which the bill may eventually place those of an opposing political faith, the governor permitted it to become a law without his signature. Alarmed Democratic leaders even went so far as to suggest an immediate repeal of the bill before the special session closed but nothing was done.

GOOD OUT OF NAZARETH

The new law may have some value after all, however. In the hands of a capable board, it could be made a very workable and even satisfactory means of reducing the burden upon property and of curtailing unnecessary expenditures on the part of the officials of the local units. This is improbable. But the law has another possible value. It places the burden of proof on the officials of each unit when the time comes for them to argue the case of the unit for an emergency levy outside of the $1.50 limit. They must now show cause for an increased rate. Political maneuvering may be a bit more difficult and genuine need may get a better hearing, since any emergency requests will inevitably be scrutinized by watchful taxpayers who have a final appeal to the state tax commission. For the new law stretches the "Indiana Plan" to cover the new situation. Ten or more taxpayers in any local unit can appeal to the commission in protest of any emergency levy ordered by the new boards of tax adjustment and the commission has final authority. The feeling in Indiana at the present time is that the tax commission will be kept busy hearing appeals under the new law. The new statute is really in line with Indiana's system of central control over the expenditures of local units of government. The boards of tax adjustment may be looked upon as boards of review in the first instance with final appeal to the state tax commission, although it should be pointed out that the officials of a local subdivision have no appeal to the state tax commission in the event that the county tax adjustment board denies a request for an emergency levy.

Portland Considers a Service-at-Cost Traction Franchise

> "THE franchise appears to be designed to rehabilitate the company, but not to rehabilitate mass transportation in Portland"

BY HERMAN KEHRLI

City Club of Portland

WHETHER a faltering mass transportation system should be resuscitated through public effort or be permitted to expire is a problem before the voters of Portland, Oregon. This problem is presented in the form of a new service-at-cost traction franchise. The proposers of this franchise have declared the issues to be whether city rate regulation should be substituted for state regulation, and whether fares should be decreased. The actual issue is much more fundamental.

Some type of mass transportation must be provided for the citizens of Portland. The present system, however, is giving the same type of service it gave twenty years ago, and with the same facilities. It has two great weaknesses. Its rolling stock is out of date and the present type of service was designed for a compact city. The residential section of Portland, as that of every other large city, has been moving away from the center of the city. No provision has been made to handle the population of the periphery in a satisfactory manner. Although through cars have been established on various lines, these through cars must follow the locals, and transfers to buses are usually required at the end of the line. To secure mass transportation facilities suitable to these new residential districts will probably require a new type of service.

Portland residents averaged only half as many rides per person in 1931 as in 1912. The weekly pass increased patronage but did not increase operating revenues which have fallen from $5,227,644.53 in 1921 to $3,918,085.85 in 1931. The operating income of the company has fallen from $1,176,000 in 1921 to the point where the reported incomes of $195,818.05 in 1930 and $337,015.30 in 1931 have been at the expense of the depreciation fund.

WILL THE COMPANY CEASE OPERATION?

With its controlling franchises due to expire at the end of this year, the traction company has intimated that it would cease operations in Portland unless a more favorable franchise would be granted by the city. The existing franchises were granted twenty-five years ago and probably represent the average franchise of that day. The utility is required to give such service as the city council may demand. The company is also required to build and maintain the roadway between and for one foot on each side of the tracks, and to pay franchise fees and bridge tolls which amounted to some $30,000 and $52,000 respectively during the past year. These are the "burdens" from which the street car company has repeatedly sought relief.

With the exception of motor buses, purchased since 1925 for two new lines and for certain feeder lines, and fifteen new cars purchased last summer, most of the rolling stock in use dates back to the horse-and-buggy days. The average age of the 490 street cars in service is 23 years. Only twenty-five of these cars have been purchased since 1911. One hundred and forty were purchased prior to 1905.

To complete the picture, it should be stated that the traction company was, until recently, a part of the utility which furnishes most of the electricity to Portland and is still owned by the same holding company. The traction company is at present the best customer of the electric company, using 11 per cent of its output.

HISTORY OF THE FARE CONTROVERSY

The public of Portland has shown a great interest in the rate of fare charged for street car rides, and fares have figured prominently in a number of political campaigns. In April, 1929, the company petitioned the public service commission for permission to increase fares from eight cents (six for forty five cents) and four cents for school tickets, to a straight ten cents and five cents for school tickets. Although the company might have increased its fares to ten cents after a six months' delay, it chose to wait until the report of the Carey and Harlan Company which had been retained by the city. This report, known as the Carey and Harlan Traction Plan, proposed that the taxpayers assume enough of the company's operating expenses to permit the company to make an adequate return on its investment while charging a low fare. The plan proposed a service-at-cost franchise, abolition of all franchise fees and bridge tolls, and since its authors believed that "all of the surface of the streets should belong to the people of Portland," it also recommended that the city purchase and maintain the street car tracks and the pavement between the tracks. All this so that fares might be kept down and that the traction company might earn a proper income. The experts declared that street cars were essential to any mass transportation system, that buses would not serve as a substitute, and suggested that the rolling stock of the local company be remodeled for one-man operation.

Since the Carey and Harlan Traction Plan presented no evidence tending to show reason for refusing the ten-cent fare, that increase was allowed to take effect by default. The political campaign for lower fares, however, had been more effective. The morning of March 6, 1930, the first day of the ten-cent fare, saw the sidewalks and bridges leading to the center of the city thronged with people walking to work. As was later stated, "apparently six million revenue passengers declined to pay the increase in fare of two cents and turned their backs upon the street car system. The cost of the ride to these patrons had exceeded its worth." Beginning October 28 of that same year, a transferable weekly pass was sold at $1.25 in an attempt to increase the popularity of the street car service.

PUBLIC SERVICE COMMISSION ORDERS REDUCTION

The request for ten-cent fare was first made on the grounds that the street railway employees had been promised a pay increase and that this could not be given without a fare increase. When the ten-cent fare went into effect a wage increase amounting to $135,000 per year was allowed, but just a year later employees received a reduction in wages amounting to $180,000 a year. Thereupon the public service commission, which had been reconstituted as a one-man commission, undertook the further investigation of the company's affairs and on May 29, 1931, ordered the inauguration of a fare schedule with seven cents as the maximum cash fare.

He declared "that the situation reflected from the record shows unwise management, unsound judgment, and utter lack of foresight with resultant deplorable conditions in mass transportation in the City of Portland." While the company contended for a rate base of $14,680,424, the public service commissioner contended for a rate base of $3,000,000 on the assumption that the physical property of the company "had no actual value for any purpose other than the scrap or salvage value all of which probably doesn't exceed three million dollars." The federal court refused to permit the public service commissioner to enforce the proposed fare schedule and the special master who took testimony in the case declared the value of the company's property for rate-making purposes to be $10,000,000, although admitting that the company had not made a return upon such an investment for years and could probably not make such a return regardless of the rate of fare to be charged.

IS THE FARE IMPORTANT?

In the meantime, Carey and Harlan, who had been reëngaged, reported the value of the company's facilities for purchase and for franchise purposes and also proposed a complete service-at-cost franchise, which, while carrying the name, "Carey and Harlan Service-at-Cost Franchise," was largely a copy of the service-at-cost franchise in effect in Youngstown, Ohio.

Public opposition to any measure which would increase the tax burden to any great extent had resulted in the abandonment of the proposal that "all of the surface of the streets should belong to the people of Portland." But other essential features of the proposed franchise were continued. A committee of twenty-five citizens, appointed to sound out public opinion, called attention to the fact that reduction of fares, if it had to be at the taxpayers' expense, might not be entirely desirable. It also called attention to the fact that the fare was not such an important factor in the popularity of a mass transportation system as had often been declared by Carey and Harlan. An especially interesting item cited was that the free riders, including the policemen, firemen, and company employees, had actually decreased during 1930 as compared to the preceding years, although the number of persons entitled to these free rides had increased.

This committee pointed out that mass transportation is in a state of flux and that buses might have to be substituted for street cars in the next decade. While favoring a service-at-cost franchise because of its flexibility, the committee demanded that the value for rate-making purposes under such a franchise should be arrived at by bargaining rather than by the prescribed axioms of cost valuation.

THE FRANCHISE BEFORE THE VOTERS

The franchise which has finally been submitted to the people is of the service-at-cost variety. It relieves the company of franchise fees, bridge tolls and the cost of providing pavement between the tracks. It also makes the city responsible for moving the tracks and the overhead system in case of street widening or reconstruction. The proposed franchise provides for municipal regulation of rates as specified in the franchise to substitute for state regulation. The street railway supervisor is to represent the city in all negotiations with the company. The franchise sets up the valuation of the company's present properties at $8,662,553. This is to constitute the original capital value which shall be used for the purpose of fixing the rate of fare, the return to the company, and for the purpose of fixing the purchase price of the property should the city ever find it necessary to acquire it. This valuation includes a good deal of obsolete property and equipment which is of no future value to the street car system. It includes 490 passenger cars, although only 325 are used to carry present peak loads, and although the franchise requires the purchase of more cars within the next four years. Several lines which have not been used for years are included at a nominal value. The surface paving between the tracks is included in the valuation at the figure $1,706,192.74. The city engineer has pointed out that a good deal of this pavement should be replaced at once.

FARES AND RATE OF RETURN

An interesting feature suggested by the committee of twenty-five and included in the franchise, provides that the company's rate of return would vary with the average fare as follows:

Average rate of fare	Annual Return on Original Capt. Val.	Annual Return on Additional Capt. Val.
When 9 cents, or over	5%	6½%
When 7½ cents, or over, and less than 9 cents	6%	7%
When 6 cents or over, and less than 7½ cents	6¼%	7¼%
When less than 6 cents	6¾%	7¾%

Bait in the form of the following initial fare structure is being held out to the public in the proposed franchise:

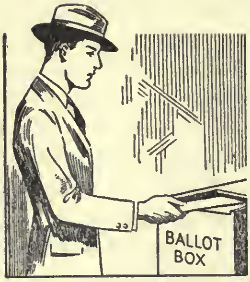
Weekly Pass—$1.25 each;
School Tickets—4c each, when purchased in books of 25;
Tokens or Tickets—7 1/7c each when purchased in quantities of 14 for $1.00;
Tokens or Tickets—8 1/3c each when purchased in quantities of 3 for 25 cents;
Single Cash Fare—10 cents.

This fare would remain in effect until January 1, 1933, or about six weeks after the franchise would become effective, if adopted. After that the rate of fare would be changed automatically to meet the operating expenses, reserve for renewals and the stipulated return. The fare which would produce the highest revenue would be permitted until these requirements were met.

It is reasonable to assume that service would be considerably curtailed and that fares would be increased to produce the greatest possible revenue should this franchise be placed in operation. At any rate, the operating revenue of the company during any one of the past three years would fall several hundred thousand dollars short of meeting the requirements of the proposed franchise. But an increase of fare would become practically mandatory and the city would be helpless to prevent reductions in service when the inevitable deficit would make its appearance during the first months of operation under the proposed franchise. It is no secret that the officials of the company would abandon various unprofitable lines immediately.

The company has already made large reductions in operating expenses by converting practically its entire system from two-man to one-man operation during the past year. Despite these savings, the operating revenues for the past six months have been only $119,358. Had the proposed franchise been in operation during this period, the balancing fund would have had to absorb a deficit of $181, 937.32. It is important to bear in mind that a higher rate of fare than that provided by the franchise has been in effect.

It would appear that the only guarantees made by this franchise are guarantees to the traction company. The franchise appears to be designed to rehabilitate the company, but not to rehabilitate mass transportation in Portland. It may safely be prophecied that it would result in a reduction of services, an increase in taxes, and would give the company a better opportunity to operate at a profit.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

PROPORTIONAL REPRESENTATION IN A SMALL CITY

BY CYRUS J. FITTON

Part of an address before the annual meeting of the Proportional Representation League, Washington, D. C., September 21, 1932. In many ways Hamilton illustrates quite as well as its better known neighbor, Cincinnati, the possibilities of P. R.-city manager government when backed by intelligent citizen activity. Mr. Fitton has taken a leading part in the developments which he describes.—ED. NOTE.

In 1926, in the city of Hamilton, Ohio, fifteen people who had been elected as a charter commission completed their work and the new charter was adopted by the voters in November of that year. Professor A. R. Hatton was largely responsible for this document but the members of the commission do deserve credit for their courage in insisting that P. R. be included in the charter even though they were warned that this radical provision might cause the voters to reject the whole instrument.

A CHARTER COMMISSION FOLLOWS THROUGH

The commissioners, realizing that their child could not learn to walk without help and that the responsibility rested on them to guide these first steps and to protect the child from attacks which were sure to come, reorganized as a permanent campaign committee. At each municipal election since the adoption of the charter the commissioners have authorized a small committee, composed partly of their own group and partly of other public-spirited citizens interested in securing the best possible results from the new non-political form of city government, to persuade properly qualified citizens to present themselves as candidates for council and in general to conduct the campaign. This campaign committee every two years receives full authority from the charter commission to select candidates, circulate the nominating petitions, collect and spend the money required for the necessary expenses of the campaign, and to publish advertisements and circulate literature signed by the charter commission and by the individual members thereof. The charter commission was chosen directly by the people, so in effect the people's representatives who drafted the charter are still guarding it and endeavoring to secure for all of the people the fullest fruits of their wisdom in adopting this new framework of their government.

These loyal friends of the charter, never exceeding a dozen in number, constitute the only political organization working for the interest of good government in Hamilton. This group, however, has received great assistance from the Women's City Club, one thousand strong, which helped to foster the original idea of the necessity for a new charter, helped to secure its adoption and has helped ever since in electing charter candidates. Both newspapers of the city have also given splendid support not only during the municipal campaigns but to the administration continuously since it took office January 1, 1928. The campaign committee has had very little difficulty in raising about $1,000 every two years, which is all that is required to pay for all the campaign expenses. The very name "charter" has been a tremendous asset to this committee, particularly since the reform organization in Cincinnati is called the charter group—all of the achievements of Cincinnati, which is only twenty-five miles away, being familiar to the voters of Hamilton.

How has this group functioned? During the summer preceding the municipal election it carefully considered many men as prospective candidates for council. A candidate must have intelligence, integrity, and interest in, though not necessarily knowledge of, good local government and the ability to win votes for himself and for the other six constituting the charter ticket. Quite a few persons selected as desirable candidates have refused to make the race, but in every instance this refusal was due to some valid personal reason and not to any lack of interest.

Finally seven men consent to run on a charter ticket. They are asked to subscribe to this simple platform of three planks: (1) for a city manager from out of town, a man without political ties or entangling alliances of any kind; (2) for an efficient, business-like non-political city administration; (3) for municipal ownership and non-political operation of gas, water, and electric plants. Otherwise the candidates are expressly asked not to make any pledges or any promises. They are expected, if elected, to approach every question with open minds and to use their own best judgments. They are not asked to make speeches, solicit votes, enter into controversies with other candidates, or contribute a single cent to the campaign fund. Almost exclusively through newspaper advertisements the voters are told something of the qualifications of the candidates, what the prior administration has accomplished, why these candidates are best suited to act as the representatives of all the people and why the voters in order to serve their own best interests should continue to have the city governed by officials who are unquestionably loyal and intelligently sympathetic to the new deal in local government. One of the most effective arguments advanced by the charter group has been that there is no political organization back of the charter candidates to ask for jobs or favors. There is never any mudslinging at other candidates, and in fact even when the old political organization was actively supporting a ticket of its own and opposing with all its waning power the new charter movement, the charter statements scarcely mentioned this opposition except to warn voters that the old type of politician could not be expected to welcome the new day in politics nor to direct effectively the new political mechanism. In fact the friendship of many independent candidates has been sought and in this way many subsequent votes transferred from the ballots of these independents in the latter stages of the count have been very useful.

SOME SURPRISING RESULTS

What results has this unique political method produced?

At the first election in 1927, four of the charter ticket, one independent friendly to the charter group, one candidate of the old political organization, and one former member of the council running as an outright independent, were elected. This result would have been impossible without P. R. When each element among the voters was freed to vote for and elect one or more candidates that it really wanted, the second or third best candidates of the politicians were "out of luck."

In 1929 the old political organization had a considerably stronger ticket in the field and made every effort to re-capture control of the council. This organization also desired to eliminate P. R. from the charter by an amendment substituting a different and dangerous system of preferential voting, but the amendment was defeated three to one. They elected no member of council, though under P. R. only just more than one-eighth of the votes would have been sufficient to do so, and the charter group elected five members. Two independent members elected were not only favorable to the charter group but had asked to be included on its ticket.

In 1931 there was no organized political opposition to the charter ticket. The political group had given up the fight. On the other hand the independents running were of a higher type and possessed much greater vote-getting ability. Again five of the charter ticket were elected and the same two independents.

Five of the present members of council have served continuously since the inauguration of the first charter administration, three of them are "charterites," one is the independent elected as such in the first election and the other was first elected by the old political organization but, seeing the change in the attitude of the voters, has been elected in the last two elections as an independent, disclaiming any connection whatever with his old organization.

The defeat of the attempt to eliminate P. R. from the charter by a three to one vote after P. R. had been used at only one election and after the new administration had been in office for only two years is a striking example of how well the new city government has sold itself to the voters and of how effectively the charter committee presented the arguments for P.R. P.R. was presented as the very heart of the charter, the basis for all of the unprecedented accomplishments of the new administration.

EFFECTIVE VOTING

In the first election out of a total registration of about 16,000, there were cast 10,172 effective ballots (ballots which helped elect candidates), 1,899 ineffective (valid ballots which failed to help elect), 327 invalid, and 95 blank. In the second election there were cast 9,675 effective, 1,652 ineffective, 815 invalid, and 198 blank. In the third election there were cast 9,432 effective, 1,637 ineffective, 667 invalid and 107 blank. In 1927 before the first election a comprehensive campaign was conducted to educate people in the new type of voting. This has not been done with the same vigor nor with the same scope in subsequent elections and this may explain why there were fewer invalid ballots in the first election than in the second and third.

Very few people, of course, understand the theory of P. R. or how the votes are actually counted. There is considerable public interest, however, in watching the counting of the ballots conducted in a large public auditorium and the great majority of the voters are convinced that the count is now absolutely honest and faithfully represents the real sentiment of the voters. Old time politicians are constantly spreading poison against P. R., realizing that it is the real obstacle to their come-back, and friends of P. R. probably should devote more time and effort to explaining and popularizing it; it is hoped that the schools of the city will before long explain and demonstrate our new voting system as part of the courses in civil government.

THE CHOICE OF A MANAGER

The first council was fortunate, after carefully considering the qualifications it sought in a city manager, to find a man embodying its desired requirements. Mr. Russell P. Price, who has been manager since January 1, 1928, has achieved distinguished success in the administration of all the city's affairs. He is solely responsible for directing the city's large and complex business. He hires and fires all directors of departments and through them all employees of the city. Council has never interfered with him in this undertaking. He in return does not burden council with the petty details and problems daily confronting him. Council is thus left free to serve as the charter intends it should, as a legislative and policy-determining group.

Council has had many major problems before it, such problems as the average city council is not qualified to come to grips with, and would not have the time necessary for a proper consideration of even if it were qualified. In the consideration of all these problems council, almost without exception, secured facts from surveys conducted by experts, sought advice from recognized authorities in their particular fields and then, with all the material before it, proceeded through slow and painstaking study to determine what was the very best solution for the future.

MORE SERVICE FOR LESS MONEY

Typical examples of the many outstanding accomplishments of the administration under Mr. Price are the establishment of a city purchasing department, which has saved about $20,000 per year, and the erection of a new fire station and the purchase of new fire-fighting equipment, which has reduced fire insurance premiums throughout the city quite substantially.

The operating expenses of the general government of the city for 1927, the last year of the old regime, was $576,000; the average under the new regime for the years 1928 to 1931 inclusive is $469,000, a difference of $107,000. The general bonded debt of the city has been decreased from January 1, 1928, to December 31, 1931, in the amount of $430,000. Investment firms about a year ago bid a slight premium for general bonds of the city bearing 4.6 per cent interest.

A municipal electric plant was completed in 1928. Its capacity has since been doubled; a new sub-station was recently completed and a new distribution system including an extensive system of underground conduits installed—all out of the earnings of the plant.

The electric rate has been reduced four times, forcing down the rates of the private electric company operating in the same territory each time. The gas rate has been substantially reduced and the leakage of gas through the municipal mains has been reduced from 33 per cent to 6 per cent.

The Burns and McDonnell Engineering Company has just completed an audit of the books of the three public utilities owned by the city—electricity, gas, and water—and an analysis of operation of these utilities from January 1, 1928, to January 1, 1932. The report of this impartial firm discloses that the clear profit from the operation of the three plants during the four-year period has been $1,678,000. This, added to the saving in hydrant rental, free water service, reduced rates to consumers, street lighting, water pumping, traffic lights, etc., but deducting $58,000 which would have been received as taxes from the three utilities if they had been privately owned, shows a total saving to the citizens from the three plants of $3,487,000. The value of the three plants has increased $841,000 in the four years due to improvements and enlargements, while the total bonded indebtedness against the plants has been decreased $307,000.

THE EFFECT OF P. R.

P. R. has broken the grip of politics on Hamilton—first, by making it easy for the voters to express their real wishes without fear of wasting their votes and second, by making it possible for different elements of the city's population to elect their real leaders without the necessity of combining all of these groups, sometimes quite divergent, into a single political organization. Under P. R. men best qualified to serve as councilmen are willing to run on the charter ticket and the charter campaign committee has been wise in selecting high-grade candidates, who appeal, however, to different groups of the voters.

Perhaps the first reason for the success accomplished under the new charter has been that the operation of the city has been entirely removed from the old type of political influence. The city is now run as an efficient business to serve all of the citizens regardless of their allegiance to any political group. This condition can be preserved only by selecting the type of councilmen who have served under the new charter and we can be sure of maintaining men of this type in council only through the means of P. R.

*

The P. R. League's Annual Meeting.—The twelfth annual meeting of the Proportional Representation League since its incorporation was held in connection with an informal dinner at the Hotel Willard, Washington, D. C., the evening of September 21, as the final session of the National Conference on Parks, Planning, and Government. Members and friends of the League were present from seven different states and the District of Columbia, Mrs. Alice Thacher Post of Washington, a vice-president of the League since 1914, being a guest of honor.

In the absence of the president, J. Henry Scattergood, assistant commissioner of Indian Affairs and a trustee of the League, presided. The following trustees were reëlected for the ensuing year: Paul H. Douglas, Augustus R. Hatton, C. G. Hoag, Rayner W. Kelsey, Albert B. Maris, J. Henry Scattergood, and Thomas Raeburn White.

The League's executive secretary, George H. Hallett, Jr., reported briefly on the developments of the past year, including the consolidation of the League's work, staff, offices, and magazine with those of the National Municipal League. He also told of his recent tour of the country for the combined organizations and mentioned California, Michigan, Pennsylvania, New York City, Kansas City, Missouri, Reno and Las Vegas, Nevada, Portland, Oregon, and Tacoma and Seattle, Washington, as places where important P. R. proposals are now being given serious consideration.

The rest of the evening was devoted to four stimulating addresses, as follows:

"P. R. in a Small City"—Cyrus J. Fitton, attorney, of Hamilton, Ohio.

"P. R. for New York City"—Maurice J. Davidson, chairman of the executive committee of the New York Committee of One Thousand.

"P. R. for a County"—Honorable Hugh Reid, member of the Virginia House of Delegates from Arlington County.

"P. R. for Presidential Elections" (the case for Congressman Clarence F. Lea's constitutional amendment to abolish personal electors and divide the electoral votes of each state among the presidential candidates in proportion to their popular votes)—Walter J. Millard, field secretary of the P. R. League and of the National Municipal League.

RECENT BOOKS REVIEWED

The Effects of a Property Tax Off-set Under an Income Tax. By Herbert D. Simpson. Chicago: The Institute for Economic Research, 1932. 55 pp.

Movements for the adoption of state income taxes are frequently accompanied by a demand, particularly on the part of real estate and farmer groups, that property holders be permitted to apply their present property taxes toward offsetting any portion of the income tax that may fall upon them. The purpose of Dr. Simpson's study is to show the actual operation of such offsets, to ascertain the effect upon the total revenue yielded by the income tax, the amount of relief afforded by the offset, the distribution of this relief among various groups of taxpayers, and the final effect of all these factors upon the total tax burdens of various groups and classes of taxpayers. The findings are based upon data collected in Wisconsin for the year 1928 from 5100 individual taxpayers and 13,100 corporations.

The author's conclusions are highly significant. He finds that a general property tax offset against income taxes would have reduced the yield of the Wisconsin income tax in 1928 by 51½ per cent. The determining factor in the distribution of benefits and losses is not the amount of one's property or income, but the ratio of the one to the other. Also, the relationships and adjustments involved are all among different classes of property holders, not between property holders and other groups. As to the actual distribution of benefits, the offset benefits the recipients of the larger incomes among both individuals and corporations. Those who have both property and income, particularly the latter, derive the greatest benefit. From the standpoint of sound tax policy, the author concludes that "if income taxation itself is sound, anything like a general property or real estate offset is necessarily unsound, because its effects are specifically to neutralize the results of income taxation." He declares with conviction that the general offset "operates not only in a capricious way, dependent upon arbitrary ratios of income and property, but introduces a positively vicious element in the redistribution of burdens which it brings about." But the same conclusion he points out does not apply to the limited offset, since it operates differently and brings about a wholly different distribution of burdens and relief from that of a general and unlimited offset. This fact, however, does not necessarily commend its adoption. The author seems willing to accept a limited offset, only if it is in the form of a specific amount of tax, and limited to a very small amount.

Martin L. Faust.

*

General Sales Taxation. Its History and Development. By Alfred D. Buehler. New York: The Business Bourse, 1932. ix, 378 pp. $5.00.

This is the most comprehensive and scholarly work on the general sales tax that has appeared in the English language. The author presents in it a review of the rapid spread of this tax since the World War and its present status in different countries, a discussion of the salient problems in its administration, and an extended analysis of its incidence and economic effects.

The writer maintains that although in the long run the tax is shifted to consumers, this shifting is retarded by various resisting factors and does not necessarily take place in each case. Consumers suffer, under it, from loss of purchasing power, and sellers—from reduction in sales, readjustment to new market conditions, tendencies towards integration, and instability. Consumers with small incomes are hit harder than those with large ones. Businesses of large size, multiple processes and high profits are favored. It is the contention of the writer that the tax has been adopted, in most places, without sufficient consideration of its disadvantages, at a time when a large revenue was a primary requisite, but that these disadvantages are now being realized. Even business has lost much of its enthusiasm for the tax. The rates of the tax have been moderated and exemptions increased, as a consequence, in many places.

The book is packed with factual information, is well written and copiously documented. It is to be regretted, however, that the footnotes are presented in the appendix instead of on the respective pages. It is annoying to hunt for them. In one or two cases, for example, in the case of Soviet Russia, the information is not up to date. However, one could hardly expect the data in a book covering so many countries and necessarily dependent in some cases on secondary sources, to be up to date at every point. This is not a reference book. It is an illuminating study which throws much light on a puzzling question.

PAUL STUDENSKI.

New York University

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MUNICIPAL REPORTS

AUBURN, MAINE. *Annual Report, 1931.* By F. W. Ford, Jr., City Manager. 63 pp.

MILWAUKEE, WISCONSIN. *Annual Report of the Common Council, 1931.* Compiled and edited by the Municipal Reference Library. 178 pp.

WICHITA, KANSAS. *A Quarter Century of Progress, 1931.* By Bert C. Wells, City Manager. 60 pp.

If the best of each of these reports could be brought together within one cover a well-nigh perfect report would be the result. A few weak spots, however, are common to all. For example, each exceeds the desirable maximum of fifty pages, and not one saw the light of day until approximately three months after the period covered. Too little emphasis was placed on important facts except Wichita which reached a high record in this respect. The illustrative material in all three reports was well selected but a bit scarce in the Milwaukee report, more plentiful in Auburn's, and much better in the Witchita report.

The Auburn report is made excessively long owing to the inclusion of the outside audit which occupies more than one-half of the entire report. Unless required by law, this should be omitted in future issues. An excellent organization and financial chart are combined on one page but all but lost in the back of the report—this should have appeared in one of the first pages so as to attract immediate attention, for it is the most interesting feature of the report. A better arrangement of material and the deletion of unimportant details such as inventories, would have improved this report.

Milwaukee has for years issued a good report, and this year's is no exception. The chief criticism is the length; one hundred eighty pages of public reporting is almost indigestible even for the most rabid public report consumer. Many of the sections seem heavy, due to scarcity of illustrative material. Even the statistical tables which are grouped in an appendix in the back of the report, if distributed throughout the relevant text would have helped the readableness of the report. Still, it has many striking features which stamp it as one of the best of the year. For instance, there is a chart on page 42 giving the "cost of local government compared with business trends," and the size this year has been reduced to 6 by 9.

Wichita, too, is noted for its good municipal reports, but this issue easily eclipses all former ones. It has pretty nearly everything a good public report should have. The paper, type, and entire make-up are perfect, and with a few more charts the illustrative material also would have reached this coveted goal. There are two features of this report that deserve special praise for both are neglected in practically every municipal report. One is the emphasis upon the more significant statements. The busy reader can glance through the pages very rapidly and the eye will catch such arresting phrases as: *Traffic accidents decreased 33%; congested streets are cleaned at night; a 28% increase over last year.* The other feature worthy of special praise is the table of comparative rates for offenses know to the police, per cent cleared by arrest, and per cent found guilty. This reviewer cannot understand why more report writers do not make use of the uniform classification of offenses as developed by the Committee on Uniform Crime Records over three years ago. This Committee also published and distributed, "A Guide for Preparing Annual Police Reports," but apparently most report writers prefer to use their own ingenuity and not to any credit to themselves in most cases. The Wichita report is easily one of the best of the year.

Clarence E. Ridley.

The University of Chicago

REPORTS OF PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Centralization of Public Health Services in Los Angeles County, California.— California Taxpayers' Association, Los Angeles, 1932. 37 pp. Although a number of the political subdivisions in Los Angeles County have contracted with the county for its services, there remain several independent, active, governmental health agencies. This report deals with the existing duplication of effort resulting from this situation and points out that if the cities of Los Angeles, Long Beach, and Pasadena would also contract with the county some $200,000 could be saved the taxpayers annually. (Apply to California Taxpayers' Association, Inc., 775 Subway Terminal Building, Los Angeles.)

*

Parks in the Larger Cities of the United States, 1931.—Caroline L. B. Sigrist—Municipal Reference Library, New York, 1932. 4 pp. Mrs. Sigrist, of the Portland, Oregon, Municipal Reference Library, has compiled statistics on the parks of sixty-eight large American cities. The data cover total park acreage, number of parks, miles of boulevard, percentage of tax dollar spent for recreation, cost of lighting parks, cost of park police, cost or appraised value of the parks, 1931 maintenance, park revenues, zoölogical parks and other subjects. The New York Municipal Reference Library is to be thanked for making available this valuable information. (Apply to Municipal Reference Library, Room, 2230 Municipal Building, New York City.)

*

Assessment Valuations and Tax List of Hoboken Real Estate.—C. Alfred Burhorn Company, Hoboken, 1932. 116 pp. Primarily devoted to assessment maps, this volume is of interest particularly to residents and neighbors of the city. Its general value is increased by its presentation of the city's revenues and expenditures, city and school budgets in some detail, and other financial statistics. (Apply to Alfred C. Burhorn Company, One Newark Street, Hoboken, New Jersey. Price $10.)

*

Preliminary Report on Municipal Ownership of Electrical Utilities in Virginia.—James E. Gates—League of Virginia Municipalities, Richmond, 1932. 14 pp. Under the direction of the bureau of public administration this study was undertaken to ascertain the operating conditions of the municipally owned electric utilities in Virginia. It is planned that the final report will give suggestions which may offset, to some degree, the disadvantages under which relatively small municipal plants are at present forced to operate. (Apply to League of Virginia Municipalities, Travelers Building, Richmond. Price 50 cents.)

*

The Valuation of Business Lots in Downtown Los Angeles.—Cuthbert E. Reeves and the Los Angeles Bureau of Municipal Research.—Los Angeles Bureau of Municipal Research, 1932. 38 pp. The recently incorporated bureau of research chose as its first problem the finding of a sound tax base. The serious land value inflation, especially in the business district, and the resulting taxation offered a fertile field for study and Mr. Reeves was invited to assist in the survey. This report embodies the findings of the Bureau and the suggestions of Mr. Reeves for more equitably assessing the property concerned. (Apply to Bureau of Municipal Research, 306 West Third Street, Los Angeles, California. Price $2.50.)

*

Adoption of Codes by Reference.—American Municipal Association, Chicago, 1932. 12 pp. The high cost of publishing long and complicated technical codes, such as those for building, has created a widespread interest in the adoption of such codes by reference. This study briefly discusses the procedure and describes it as practiced in the states where it is expressly authorized and in those where it has been accepted without legislative action, about seventeen in all. (Apply to American Municipal Association, Drexel Avenue and 58th Street, Chicago.)

*

The Selection and Tenure of Wisconsin City Administrative Officials.—Lyman S. Moore. League of Wisconsin Municipalities, Madison, 1932. 20 pp. On the basis of a questionnaire sent to Wisconsin municipalities the facts as to the selection and tenure of city administrators were secured, and these are compared with the practice in European cities and the opinions of American authorities. In conclusion, the author proposes means to establish desirable standards in Wisconsin. (Apply to League of Wisconsin Municipalities, 114 North Carroll Street, Madison. Price 25 cents.)

*

Paying for our Highways.—W. S. Downs. —Bureau for Government Research, West Virginia University, Morgantown, 1932. 9 pp. Considering highways as publicly owned utilities the use of which is paid for by direct taxation, special assessment, fees such as automobile licenses or a fuel tax, Professor Downs sets forth eight principles to guide further development in West Virginia. (Apply to Bureau for Government Research, West Virginia University, Morgantown.)

*

The Administration of the Gasoline Tax in the United States.—F. G. Crawford.—Municipal Adiminstration Service, 1932. 73 pp. For this third edition of his gasoline tax study Dr. Crawford has not only revised and brought to date the material on history, receipts, administration and constitutionality of the tax, but he has notably enlarged it with new material and comment on the distribution of the receipts, refunds and exemptions, evasion and the cities and the gasoline tax. The gasoline tax offers not only a fertile source of revenue but a field for serious abuse. The study is therefore of interest and value to all motorists as well as to legislators, students and the commercially interested groups. (Apply to Municipal Administration Service, 309 East 34th Street, New York City. Price 50 cents.)

What's the Use of Working.—Robert B. Brinsmade.—San Luis Potosi City, Mexico, 1932. 18 pp. The author, after thirty-five years' study of conditions in three continents, concludes that the solution to our economic and political ills lies in the adoption of proportional representation and Georgism. The former would give us able, representative legislators, the latter, the abolition of all taxation through the substitution of ground rent socialized for public use. This pamphlet explains the reasoning by which Mr. Brinsmade has reached these conclusions. (Apply to Robert Bruce Brinsmade, Avenue Centenario 219, San Luis Potosi City, Mexico. Price 10 cents.)

*

Emergency Work Relief.—Joanna C. Colcord, William C. Koplovitz, Russell H. Kurtz. —Russell Sage Foundation, New York, 1932. 286 pp. The bulk of the volume is used to describe the experience of twenty-six American cities with the work relief projects undertaken in the winter of 1930-31. Communities of varied size and location are drawn on. In addition there is a brief history of the work relief idea and suggestions for setting up a program to avoid as many of the pitfalls as possible. Selected forms used are given in an appendix. Careful study of this volume may serve to avert some of the difficulties already encountered by many communities and should be of marked assistance to those responsible for administering work relief through this coming year. (Apply to Russell Sage Foundation, 130 East 22nd Street, New York City. Price $1.50.)

*

The Municipal Index, 1932.—New York, 1932. 601 pp. The ninth annual edition of this well-known yearbook is as indispensable as ever to those interested in municipal government. Sections included treat government and administration, planning, law, finance, road construction and maintenance, street cleaning and snow removal, traffic, water supply, electric lighting and power, sewage disposal, waste collection and disposal, fire and police departments, parks, playgrounds and swimming pools, airports and aviation, and lists of consultants and municipal officers. (Apply to American City Magazine Corporation, 470 Fourth Avenue, New York City. Price $5.00.)

NOTES AND EVENTS

New Charter Proposed for Nassau County, N. Y.—The charter proposing a new form of government for Nassau County, prepared by the Democratic Law Committee of the county, radically changes the present structure. The three townships and one hundred fifteen of the one hundred eighty-five special districts now existing are abolished. Seventy-one elective town officials and over twelve hundred commissioners of the special districts are eliminated. A strong central county government is provided, equipped with elastic powers, adequate for present and future, able to protect the county from being overrun and swallowed up by the city of New York and having most of the rights of a city under the City Home Rule Law of New York State.

The charter seeks to end duplication of service, overlapping of activities, lack of centered authority and executive responsibility, which are characteristic of the present form of government. The people are assured—what they have never had before—a government directly responsible to them. There is a complete separation of the functions of government in accordance with the underlying principles of American governmental systems. No more will supervisors discharge legislative and executive functions and justices of the peace exercise judicial, executive and legislative functions.

The executive is the county president, elected for four years. Under him are eleven departments: finance, taxation, public works, welfare, health, law, police, planning and zoning, purchase, education and fire prevention. Except for the comptroller, who remains an elective official, the president appoints the heads of departments who hold office at his will. He is chargeable for the failure of a department to function effectively and incorruptibly.

The legislative branch is a board of seven representatives elected for two years from separate districts. This board has the power to enact local ordinances and must authorize all public expenditures. An executive budget system is provided.

The justices' courts and village police courts are replaced by four district courts having civil jurisdiction in cases involving not more than $1000. The judges are required to be lawyers.

The charter which will probably be presented to the legislature this winter, is simply phrased and should be readily comprehended by the average citizen. Before it becomes effective, it must be passed by the legislature, approved by the governor, and then submitted to the voters of the county at a referendum in an odd numbered year. As far back as 1921, the people of Nassau County recognized that they had outgrown their rural form of government. In that year by a large majority they adopted an amandment to the state constitution specially authorizing a change for Nassau in its form of government. In 1929 the people, by a vote of nearly 4 to 1, reaffirmed that conviction. They amended that amendment so that the new form of government, once adopted, cannot be changed by the state legislature without the consent of the county.

The 1930 federal census report shows that between 1920 and 1930 the percentage of increase of population in the county was greater than in any other county in the United States. This county, fourth in population of the state (exclusive of the counties in the city of New York) is functioning under antiquated methods of government of the kind used when the population, now approaching 400,000 was less than 10,000. Continuance of this ill-suited framework is expensive and stunts growth.

Ferdinand I. Haber.

Permanent Registration Saves Money for Detroit.—Detroit reports, following the Michigan primary of September 13, confirm forecasts as to benefits anticipated three years ago when Michigan's new system of permanent registration was made effective by action of the state legislature. Amid many difficulties of political and financial kinds, the registration reformers, with vast patience, finally got the law enacted with approval of the governor.

In Detroit the last hurdle against the system was set up by city hall politicians who objected to the initial cost of establishing the system with proper card indexes and other equipment. After months of further patient pressure, assisted by opinions from state and local attorneys, the Detroit City Council reluctantly allowed the new system to go into operation—the opposition consisted of an obstreperous minority whose tactics were well understood.

City Clerk Reading, who is also chairman of the Detroit Election Commission, now reports that the cost of registering each voter under the new system, not including the cost of the new permanent equipment, was 19.7 cents as compared with 38.9 cents per voter under the old system. The cost, including equipment, was 27¼ cents as compared with 39½ cents under the old system. Financial savings under the new system have completely paid for the equipment in one registration, according to Mr. Reading.

As explained before the legislature, Michigan's permanent registration plan, by requiring a signature from every voter, puts a big stumbling block in the way of registration frauds. The second claim, that of economy, has been proved true even in the city of Detroit, whose registration total is 489,041. The third virtue assigned is that it also saves the time of the voter by requiring only one registration in a lifetime. Transfers after removal and other operations are handled chiefly by mail.

As reported in the October Review by Raymond C. Atkinson, the per capita cost of elections in Detroit is 81 cents as compared with $1.09 in Cleveland, $1.22 in Cincinnati, $1.32 in Columbus and $1.42 in Toledo. Detroit still boasts that it has the most accurate and efficient election system of any major city in America.

Oakley E. Distin, Detroit election supervisor, differs with Mr. Atkinson as to the relative cost of conducting primaries and general elections. He holds that although fewer votes are cast at primaries, the number of candidates is far greater than at elections, hence the primary count involves more labor and longer hours than that after a general election.

Detroit's new key-number system of selecting jurors is based upon the new registrations; every twentieth name in the registration is picked off before the sifting process results in selection of a panel by the local jury commission.

W. P. Lovett.

*

Savings Through Centralized Purchasing for the State of Maine.—On January 1 of this year, centralized purchasing became effective for the state of Maine with the establishment of a bureau of purchases in the newly-created department of finance. The new purchasing agency in the first eight months of its operation has already made a very favorable showing. Making due allowance for the fall in commodity prices during the current year, the economy record of the state purchasing agency reflects in part at least the potential economies of bulk buying. For example, a saving of $12,000 has already been made in the purchase of coal for the various state institutions and other using agencies. The saving of this amount is based on price reduction for the same tonnage as was bought under separate contracts by the individual using branches during 1931. When centralized purchasing became effective the state was buying and using more than sixty different types of shoes in its various institutions. The state's purchases of shoes have now been reduced to twelve different types and the saving in the first eight months is more than $7,000. By buying gasoline for all the state requirements the price has been reduced 3.6 cents per gallon. More than $2600 was saved in the purchase of fertilizer for the various state farms through pooling their requirements and through increased competition.

The establishment of the purchasing bureau has brought to light as never before the wide diversity in prices formerly paid by different branches of the state government. Some institutions were paying as high as 58 cents per pound for tea; the highest price being paid is now 45 cents per pound.

In addition to the savings through more widespread competition, the purchasing bureau is making every effort to insure that the state receives the quality specified in the order or contract. In purchasing of foodstuffs, for example, samples must accompany bid. These samples are tested by the University of Maine or the laboratory at the state department of health. Samples taken of deliveries are then analyzed and compared with the laboratory report of the sample upon which the order or contract was awarded.

According to the most authoritative reports, the state purchasing bureau has succeeded well in ironing out the opposition from the state institutions and has gotten off to a flying start.

RUSSELL FORBES.

*

Spurious Municipal Bonds.—The investor in municipal bonds finds that there are many securities today which are in default because spurious or counterfeits of bona fide municipal bonds, notes, warrants, assessments against district improvements, and more recently refunding issues and tax anticipation notes. These counterfeits of the real municipal security are printed on expensive bond paper and present the engraver's art at its best. The large type headings announce that this security is "A-1"; that is, a full faith and credit obligation and a negotiable instrument in the hands of the investor. The smallest type, frequently requiring a magnifying glass to read it, invariably qualifies the prominent type headings.

The so-called "incontestable clause" in small type is usually to the effect that "all things necessary to be done by the city, have been done" and that for the faithful performance of its contract the full faith and credit of the municipal corporation is pledged. When the municipal corporation pledges its credit illegally and an investor purchases this form of paper, does the incontestable clause protect him if suit is brought to enforce payment? Unfortunately, if the security was invalid when issued, the holder lacks the usual legal remedies which are available in litigation against a public utility or private corporation. The municipal corporation has only limited powers to incur indebtedness. (No. 1—Guggenheim v. City of Marion, Ky. 46 S. W. [2] 478 decided Feb. 9, 1932; also Porter v. City of Weslaco, Tex. 56 Fed. [2] 6 decided 1932.)

These spurious or counterfeited securities find the money of the investor and frequently the investor received interest payments for some time before the invalid character of the security is determined.

The present need for refunding outstanding municipal securities has led to the sale of many refunding issues which are no more valid than the issue which they replace. The writing of the "incontestable clause" into these invalid refunding securities does not prevent the city from avoiding payment. Taxpayers are ready to take advantage of these defects and the courts will uphold the defense of no liability for payment of an invalid obligation sold by the municipal corporation.

The quality inherent in valid municipal securities is recognized in the present bond market where prime municipal paper commands a high price, while municipal securities which are not considered enforceable have no purchasers. The investor has learned that the label "municipal-tax exempt-bonds" does not always mean that payment will be made at maturity. The need is very great for responsible underwriting of valid municipal securities which are negotiable in law as well as in form.

HORACE H. SEARS.

*

New League of Municipalities.—Plans have been formulated for the organization of a League of Massachusetts Municipalities as the result of a meeting of a committee of Massachusetts mayors in Cambridge, September 14.

Those present were Mayor Richard M. Russell, *chairman*, of Cambridge, Mayor Joseph N. Carriere of Fitchburg, Mayor James A. Torrey of Beverly, Mayor Charles S. Ashley of New Bedford, Mayor J. Fred Manning of Lynn, Mayor Michael C. Mahoney of Worcester, Mayor George J. Bates of Salem, and Glen Leet of the American Municipal Association.

In Vermont a similar organization to promote sound municipal government is contemplated and a committee of municipal officials headed by Mayor J. B. Wood of St. Albans is now working on the project.

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CONTENTS FOR DECEMBER

LEAGUE'S BUSINESS .... *Russell Forbes* 662
EDITORIAL COMMENT .... *Howard P. Jones* 663
HEADLINES .... *H. P. J.* 666
SAN MATEO COUNTY ADOPTS MANAGER PLAN ...... *Edwin A. Cottrell* 668
WHAT MUNICIPAL HOME RULE MEANS TODAY
X. New York .... *Joseph D. McGoldrick* 671
ST. PAUL REMADE BY LONG-TERM PLANNING ...... *Carl P. Herbert* 679
TAX BURDEN LIGHTENS (COMPARATIVE TAX RATES OF 277 CITIES, 1932) .... *C. E. Rightor* 682

DEPARTMENTS

I. Proportional Representation .... *Edited by George H. Hallett, Jr.* 698
II. Recent Books Reviewed .... *Edited by Edna Trull* 701
III. Notes and Events .... *Edited by Howard P. Jones* 704

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THE LEAGUE'S BUSINESS

Constructive Economy in Government Via the Radio.—As announced on this page last month, the series of national broadcasts on constructive economy in state and local government started on November 15 when President Seasongood and Professor A. R. Hatton summarized our committee report on that subject. During the month of December the four following programs are scheduled for successive Tuesday evenings from 8:00 to 8:30 p. m., Eastern Standard Time:

DECEMBER 6—"Reorganizing County Government"
Prof. Arthur W. Bromage, University of Michigan; *Prof. Leonard D. White,* University of Chicago; *Dr. Lent D. Upson,* Detroit Bureau of Governmental Research.

DECEMBER 13—"Reforming Financial Methods"
Dr. Luther Gulick, Institute of Public Administration; *Prof. Harley L. Lutz,* Princeton University; *Dr. Russell Forbes,* National Municipal League.

DECEMBER 20—"Reducing and Limiting Local Indebtedness"
Carl H. Chatters, Municipal Finance Officers' Association; *C. E. Rightor,* Detroit Bureau of Governmental Research; *Henry Hart,* Michigan Municipal Advisory Council.

DECEMBER 27—"Revising our State and Local Tax System"
Dr. W. F. Willoughby, Brookings Institution; *Prof. William Anderson,* University of Minnesota; *Dean Isidor Loeb,* Washington University.

Reprints of the radio addresses for each program are available at ten cents per copy from the University of Chicago Press, 5750 Ellis Avenue, Chicago, Ill.

Keeping Up with Our President.—As announced some time ago on this page, President Murray Seasongood has been honored by his alma mater through an invitation to deliver the annual Godkin lectures at Harvard University. Mr. Seasongood's lectures, six in number, will deal with the general theme of "Local Government in the United States, a Challenge and an Opportunity." The lectures will be delivered on November 28 and 30 and December 2, 5, 7 and 9.

In connection with his trip east, President Seasongood has committed himself to a busy schedule of other addresses at which times he will carry our message of better government to widely varying groups.

On Sunday afternoon, November 27, Mr. Seasongood addressed a large gathering in Syracuse, New York. On December 1 he will address a public forum at Springfield, Mass. On Sunday, December 4, he will appear before the students and faculty of Skidmore College, Saratoga Springs, New York, where the audience will number approximately 600. On the following day, December 5, he will talk to a group of business and professional men at the Faculty Club, Harvard University, Cambridge. He also has agreed to address, in connection with his trip to the east, the students and the faculty of Wesleyan College at Middletown, Conn., and a mass meeting of the Massachusetts League of Women Voters in Boston. This information is being reported because of our belief that our members will want to know and will applaud the president's efforts and his leadership in the furtherance of the National Municipal League.

RUSSELL FORBES, *Secretary.*

Editorial Comment
◆
December

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The President's Opportunity

For the first time since Woodrow Wilson there will be a president in the White House who understands thoroughly the problems of local government and is disposed to do something about them. This should mean much at a time when the local governments of this country are in the trenches waging the warfare against want. The infantry cannot wage battle alone; there must be support from heavy artillery and airplane, from signal corps and quartermaster, division headquarters and general headquarters. If Franklin D. Roosevelt applies the experience gained in his two terms as governor of New York state, he may accomplish much for improvement of public administration all along the line.

The influence of federal patronage alone is enough to weigh the scales on the side of good local government or bad. If the sole thought of the appointing power is partisan considerations, the sole thought of the appointee will be private interests or at best the interests of special groups. Governor Roosevelt knows. And if ever a man had a mandate for progressive, efficient government that goes somewhere and gets something done, he is that man. In the last two years he has made statement after statement which shows his thinking on this matter to be as clear as crystal. For example:

> **The people are beginning to realize that they are burdened with a host of useless officials and an intricate mass of local machinery of government that cannot function efficiently in this present age and cannot properly supply the services that they have a right to expect of government.**
>
> **There should be consolidation of many existing units of government, possibly the elimination of towns altogether, or at least a consolidation of their functions and certainly the elimination of many offices that are useless.**
>
> **County government is no more fit for its purpose than an ox-cart would be fit for the task of supplying modern transportation between New York and Chicago.**
>
> **For Americans to be proud of their business efficiency, of their economic progress, of all the improvements which have come to us during the past generation, is highly inconsistent with the attitude of the average citizen who without objection allows local government to continue in its time-worn groove of inefficiency.**

If Franklin D. Roosevelt continues the type of thinking that gave rise to those utterances, he will make a real contribution to the forward march of governmental policy. The NATIONAL MUNICIPAL REVIEW would like to see as one of the first steps in Roosevelt's regime, which will manifestly be faced with the problem of developing closer relationships between the federal government and local governments on the firing line throughout the country, the appointment of a permanent commission on local government. Such a commission could serve as a fact-finding and coördinating agency and in the proper hands could make a real contribution to the development of an enlightened internal governmental policy.

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The Tax Burden Lightens

This issue of the National Municipal Review is largely devoted to the annual compilation of comparative tax rates which C. E. Rightor, of the Detroit Bureau of Governmental Research, has built through the years into the accepted standard tabulation for determination of relative tax burden as between cities and the trend of taxation from year to year.

Of peculiar interest and significance is the tabulation this year, when declining property values and falling personal incomes have dried up the financial springs in city after city, county after county, state after state. The figures report a drop in the total tax burden. Municipality after municipality, forced to lower assessed valuations, has had to trim sail in order to hold tax rates somewhere within an area comprehensible to taxpayers.

The cold figures reveal, though they do not dramatize, the contortions through which local governments are going these days in the effort to keep essential services operating. The "last enemy" that shall be fought is starvation. In last month's Review, Frank Bane, of the American Public Welfare Association, told of the tremendous financial toll that unemployment relief is taking of cities this year. Cities are fighting starvation by closing schools, libraries, recreation centers, health clinics. They are sacrificing the intellectual and cultural to the physical, the long-range concern to the immediate danger.

All of which may be necessary in some situations, but not in all, and should not be in any. There are cities in the country, well managed, well financed, which have shouldered the burden of the depression without losing stride. There are other cities which are run so inefficiently that the gap between income and outgo could be bridged by reorganizing the administration without sacrificing a single service.

This spanning of space takes time. Some cities may have to choose between financial bankruptcy on the one hand and social bankruptcy on the other, unless greater coöperation between the various layers of federal, state and local government is evident than has existed heretofore. An odd quirk of the crisis through which we are passing is the contrast presented by the fine neighborliness with which man helps man and the frozen face turned by one government towards another.

*

For Constructive Economy

Summary of the report of the Committee on Constructive Economy in Government of the National Municipal League, of which Prof. Thomas H. Reed of the University of Michigan is chairman, was presented over the National Broadcasting network this month by Prof. A. R. Hatton, head of the political science department of Northwestern University.[1] The other members of the committee are Henry Bentley, Cincinnati; H. S. Buttenheim, New York; J. W. Esterline, Indianapolis; and C. E. Merriam, Chicago.

Emphasis was placed by Dr. Hatton on the fact that "mere indiscriminate reduction of expenditures is never constructive economy and may turn out not to be economy at all." He summarized the condition at the basis of the unnecessary cost of government in the United States as follows:

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[1] Copies of Dr. Hatton's address are available at the office of the National Municipal League or the University of Chicago Press. Price 10 cents per copy.

(1) too many governments; (2) overlapping governments; (3) poorly organized governments; (4) an unsound tax system; (5) poor budgeting and absence of long-time planning of public improvements; (6) inadequate accounting and purchasing procedure; (7) lack of comparable standards of governmental efficiency; and (8) partisan interference in administration, particularly local administration.

Dr. Hatton's presentation provides a sound foundation for a program that might be adopted by any taxpayers' organization that intends to do more than merely scratch the surface. It is a simple enough thing to lop off a few employees, cut a few salaries, and cut out the item in the budget for municipal band concerts, but when taxpayers' organizations have done that, they have done nothing of permanent value; neither have they exerted any effort whatsoever to the squeezing out of the waste there is in government.

This waste, as Dr. Hatton's summary indicates, is to be found, not in any budgetary item that can be readily stricken out, but in the fundamental law under which local government is organized in this country. Many of these laws are as antiquated as ordinances that still remain on the books in some cities prohibiting bicycling on downtown streets at a speed of more than six miles per hour. An unparalleled opportunity now lies before groups of taxpayers, determined to reduce the cost of government. For the first time in many years, legislative bodies are ready and anxious to respond to demands for economy and reorganization. It has become the politically feasible thing to do. And if taxpayers' organizations will go before such bodies with definite programs, knowing what they want, what they expect their recommendations to accomplish, and forewarned against the opposition any remedial measures that strike deep will arouse, they will get action.

Morris Knowles, prominent civil engineer and city planner, and long active in behalf of better government, died at his Pittsburgh home on November 8 following a heart attack. He was 63 years old.

For many years Mr. Knowles had served as a consulting engineer specializing in water and filtration systems. He was much interested in the work of the National Municipal League and served as an active member of its Committee on Metropolitan Government.

From 1909 to 1915 he was a leading member of the Pittsburgh Flood Commission. He had been a member of the Lawrence (Mass.) Water Board, the Pittsburgh Civic Commission, the boards of the advisory engineers in the Miami (Ohio) Conservancy District, the Chicago Sanitary District and the Zoning Committee of the United States Department of Commerce. He also had belonged to the Civic Development Group of the United States Chamber of Commerce. From 1922 to 1929 he was chairman of Pittsburgh's Board of Zoning Appeals. From 1911 to 1920 he was also director of the Department of Sanitary Engineering of the University of Pittsburgh.

HEADLINES

Two cities and one county had adopted the manager plan and one city had abandoned it when the smoke from the November elections cleared away. The adoptions were: Paducah, Ky., Minot, N. D., and San Mateo County, Cal. Lima, Ohio, abandoned the plan. Campaigns in behalf of the plan failed in Winchester, Ky., Catlettsburg, Ky., Coffeyville, Kan., and Mendocino County, Cal., but propositions to abandon it in East Cleveland and Ashtabula, O., were defeated.

* * *

It is a curious political phenomenon that the economic discontent has so far failed to register itself to any great degree in terms of fundamental governmental reorganization. Nowhere is this more evident than in local government where such change conflicts not at all with conservative business interests.

* * *

A partial answer may lie in the one word "Money." Political machines can always levy tribute on the beneficiaries of their regime; reform movements are hard put to it for funds. Democracy may not be the mistress of the rich, but neither does she smile on those who woo her with an empty purse. Education, after all, does cost money, even if it takes the form of political campaigning.

* * *

Overflowing with more than 200,000 signatures, petitions asking that the proposed Ohio county home rule amendment to the state constitution be placed upon the ballot next November were filed with the secretary of state November 8. In this carefully drawn amendment lies the immediate hope of improved local government in Ohio.

* * *

Three constitutional amendments were approved by the voters of Missouri. They authorize the general assembly to set up a system of old age pensions; limit the number of clerks in the legislature to 75 for each house; and provide for an executive budget to be prepared and submitted by the governor.

* * *

Wisconsin municipalities may exceed the five per cent bonding limitation of the constitution for the purpose of financing municipal light and power plant extensions, under the terms of a constitutional amendment which was approved by a substantial majority. A most powerful legal spur to municipal ownership of such utilities thus receives public approbation.

* * *

Voting machines will be retained in Philadelphia despite tricky phrasing of the question on the ballot, which read: "Shall the use of voting machines be discontinued in the city of Philadelphia?" By actual timing, it took six minutes in the office of the City Charter Committee one day to explain to a big Slav from the mills that if he wanted to keep the machines he must vote "No"!

Voting was so heavy in Cuyahoga County, Ohio, on November 8 that ballot boxes overflowed. Only a woman's angry protest stopped an election official in one of the precincts from stuffing ballots into his pockets. Voting machine manufacturers, please note.

* * *

The tax strike movement in Chicago has assumed such serious proportions that vigorous efforts are being made to bring the strikers to time. The city council voted recently to shut off the water on delinquent property and curtail other municipal services to the non-payers. Meanwhile, County Judge Jarecki ordered public sales of 56,000 parcels of land belonging to 26,000 owners who have not paid $22,000,000 in 1930 taxes.

* * *

Interestingly enough, about the same time, the Cook County grand jury was hearing the story of how Chicago property owners paid $600,000 in fees to the Real Estate Taxpayers Association to organize the tax strike movement and incidentally to provide Messrs. Bristol and Pratt, directors, with salaries of $20,000 per year.

* * *

Two hundred thousand school children in Alabama are threatened with loss of education as twenty-five counties face the necessity of closing their schools because of lack of funds, according to announcements of county superintendents of education. More than five thousand teachers will be out of employment as well.

* * *

A "director of administration," corresponding to a county manager, is proposed as an essential to an efficient county organization in the recommendations contained in a report of a survey of Erie County, N. Y., by the Buffalo Municipal Research Bureau. A similar conclusion has been reached by Professor Thomas H. Reed, of the University of Michigan, who, in a survey of Oakland County, Mich., recommends the county manager plan as the form of government conducive to greatest administrative efficiency.

* * *

The program of the National Municipal League for constructive economy in government has at last obtained suitable recognition. In connection with the newspaper announcement of the radio series over the NBC network, Messrs. Seasongood's and Hatton's addresses on constructive economy were selected as one of the two features of the radio evening, the other being Ed Wynn!

* * *

Michigan voters approved a constitutional amendment limiting the total amount of taxes assessed against property for all purposes in any one year to one and one-half per cent of its assessed valuation. Fortunately, service on debt previously incurred does not come within the limit and by a two-thirds vote at a referendum, electors of an "assessing district" may increase the limitation to not more than five per cent of the assessed valuation for a limited period. Even so, the amendment means wholesale elimination of governmental functions in some localities unless Michigan's system of county township and school district government undergoes complete reorganization.

* * *

Chester E. Rightor, chief accountant of the Detroit Bureau of Governmental Research, was appointed city controller of Detroit December 1 by Mayor Murphy following the resignation of G. Hall Roosevelt. This is another instance of official recognition of the accomplishments of the research movement in solving the problems of local government. Rightor has long acted as financial advisor to Detroit administrations.

H. P. J.

San Mateo County Adopts Manager Plan

New charter, overwhelmingly approved at November election, is first of its kind on West coast

BY EDWIN A. COTTRELL *Stanford University*

San Mateo County, California, adopted a county executive form of charter on November 8 by a vote of 16,541 to 8,592. The movement for home rule charters received a much needed impetus by the publication of the report of the California Commission on County Home Rule in 1931. Since that time some fifteen counties have launched movements to change their form of governmental machinery.

Only five counties of the state had taken advantage of the home rule provisions of the constitution adopted in 1911. Alameda, Butte, Los Angeles, San Bernardino, and Tehama have adopted charters and freed themselves from direct control by the state legislature. Charters have been defeated in Mendocino, 1932, Napa, 1917, Sacramento, 1922, San Diego, twice, 1917, 1923, Santa Barbara, 1917, and Stanislaus, 1930. Those proposed in the first four counties mentioned provided for the county executive. Three of the counties above are now preparing new charters for submission. It should be noted that all of the charters in operation are relatively short and leave much to the board of supervisors.

CHARTER IS SHORT

San Mateo attempted to avoid these errors. Its charter is relatively short and re-states much of the constitutional and statutory provisions respecting counties for their informational value. The machinery and much of the procedure of government is modernized. Many optional clauses are inserted to provide flexibility to meet future needs.

San Mateo County was formed in 1856 from the remnant left after the consolidation of San Francisco City and County. In recent years there has been considerable agitation on the part of San Francisco to consolidate the two counties under one government. In the new charter adopted by San Francisco in 1931, there are fifty-two sections providing for the consolidation of the two counties and the government of the boroughs to be formed therein.

San Mateo County has an area of 447 square miles. Twenty per cent of this area contains ninety per cent of its population of 75,000. Within this populated area, about thirty miles long and five wide, are twelve incorporated municipalities. There are thirty-eight school districts and twenty special functional districts overlapping the county and some of the municipal governments. The area, population, and problems are not sufficient to form a consolidated city-county government under the provisions of the state constitution. The charter adopted aims to accomplish a modern and businesslike government, but also looks forward to the gradual and eventual consolidation of practically all of the miscellaneous district functions, both political and financial, under one centralized government.

SUPERVISORS ELECTED AT LARGE

The charter provides for a board of supervisors to be elected at large—one each from five districts. An alternative provision between the present practice of election within each district or by the voters of the county at large was adopted by a vote of 12,554 to 9,232 in favor of the at large system. The administrative officers to be elected by the people are assessor, clerk, controller, district attorney, sheriff, and superintendent of schools. Doubtless, some of these should be appointive, but it was deemed wise not to introduce constitutional questions into the matter at this time. The board of supervisors appoints the agricultural commissioner, board of education, law library trustees, librarian, planning commission, and sealer of weights and measures. The board also appoints the county executive and confirms all of his appointments, fixes all salaries, establishes positions, may consolidate offices, coördinate the work of employees across department lines, enact an administrative code, appoint advisory commissions for any functions, and assume the power to operate existing special or municipal functions upon agreement, under contract, or by consolidation.

HOW EXECUTIVE IS APPOINTED

The county executive is to be appointed by the board of supervisors but in a rather unique manner. Provision is made for a qualification board to consist of two superior court judges to be designated by the presiding judge, the county superintendent of schools, one to be appointed by these three, and one to be appointed by the supervisors but not of their number. This board is to solicit applications and after an examination of the candidates, submit to the board of supervisors a list of five candidates, or at least two in case there are not five sufficiently qualified, together with a statement of their qualifications. This list is to be arranged in alphabetical order and must be submitted at least thirty days before the date of appointment. A vote of four-fifths of the supervisors is necessary for election or removal. An unusual restriction is that the county executive must be a legal resident of the state of California when appointed.

To guard against any personal interest in the campaign, the provision is made that no member of the present board of supervisors, the board of freeholders which drew the charter, or any person who has held a county office in the past five years, shall be eligible for appointment as the first executive. Thereafter, no supervisor may be eligible until one year after the expiration of the term for which he has been elected.

DEFINITE TERM FOR EXECUTIVE

Another unique provision is appointment of the executive for a term of four years. He is made eligible for reappointment by the board of supervisors without reference to the qualification board. However, the supervisors must give him a notice of at least one hundred twenty days if it does not plan to reappoint him at the end of his term. A minimum annual salary of six thousand dollars is provided in the charter.

The powers of the county executive are the usual administrative ones of supervision, advice to the board of supervisors, appointment of officers and boards, budget and ordinance recommendations, employment of consultants, examination of plans for all public works, contracts, and claims. He is given specific orders to coördinate all employment of personnel regardless of departmental lines. He also assumes all the powers of county advertising and exploitation. The officers appointed by the county executive are building inspector, board of health and welfare, director of health and welfare, coroner and public administrator, engineer and surveyor, tax and license collector, purchasing agent, recorder, recreation commission, and treasurer. These officers are to serve for four-year terms and their minimum salaries have been set by charter provision. All subordinates are to be appointed by the heads of departments. The elective heads are free to appoint within their budget allowances. The appointive heads must submit their nominations to the county executive for confirmation.

A number of important provisions for consolidation should be mentioned. The office of controller, formerly auditor, has been given very large powers of supervision over budget and accounting procedure. The engineer, formerly surveyor, is given charge of all public works and especially the entire road system of the county. This provision abolishes the old five supervisorial districts road system with each supervisor boss of his own road expenditures. The board of health and welfare with a trained director will administer the consolidated work of all health and welfare agencies of the county. The recreation commission brings together all playground, park, and beach recreational activities under one head. The planning commission consolidates the several municipal plans and provides in addition to county planning for coöperation with the regional commission.

BUDGET PROCEDURE

The budget procedure follows rather closely that provided for counties by state law. Modifications are made in a separate provision and hearing on personnel budgets as distinct from the operating and capital outlay budgets. All officers must devote their full time to their duties and all fees must be turned into the county treasury. The township officers were reduced from eight to five districts. The justices of the peace remain elective but must be trained and devote full time to their positions. The constables were removed from the elective list and are made deputy sheriffs under the appointment and control of the sheriff. Most of the opposition to the adoption of the charter came from these two groups of officers. However, both have given sufficient cause for criticism in the past and were due for even more severe changes than provided in the charter.

This charter takes effect for the selection of the county executive when approved by the legislature this winter, and for all other purposes on the first of next July.

The adoption of this charter is the result of the very unsatisfactory condition existing in California counties at the present time. For over two years a committee to study and report on county government has been at work with its educational campaign. Reports on its findings were published, meetings were held in every section of the county, demands for change were found in unusual places, all resulting in the election of a board of freeholders to draft a plan for submission. This board employed a consultant and took all summer to digest the reports, hear representative groups, officers, citizens, and other interested parties. Over two months in addition was spent on the active campaign for adoption at the polls.

In other words, through a long campaign of research, enlightment, and persuasion, the charter was conceived and adopted. With Arlington County, Virginia, on the Atlantic coast, and San Mateo on the Pacific, the eyes of those interested in structural changes in our counties will have opportunity to study widely separated political units experimenting with the same plan of government under slightly varying conditions.

What Municipal Home Rule Means Today

X. New York

NEW YORK'S experience with a unique amendment and enabling act

BY JOSEPH D. McGOLDRICK *Columbia University*

THE New York home rule amendment, adopted in 1923, avoids all suggestion that the cities of the state are to be put beyond legislative control. The amendment begins with a limitation upon the legislature in the enactment of any law relating to the "property, affairs or government of cities." The legislature is forbidden to pass any law relating to these matters which shall be "special or local in either its terms or in its effect" except on an emergency message from the governor and the concurrent action of two-thirds of the members of each house. The legislature has power (1) to pass any laws, general or special, regarding matters other than the "property, affairs or government of cities," (2) to invade this province by general laws and (3) to invade it by special laws when armed with an emergency message and mustering two-thirds of the two houses. To all such laws city charters must yield. Moreover, "all existing charters and other laws shall continue in force until repealed, amended, modified or superseded in accordance with the provisions of this article." The legislature would determine what power the city would have over its property, affairs or government and how this might be exercised.

The limitation upon legislative power is twofold. If it would act concerning property, affairs and government, it must either resort to a law, general in its terms and effect, or secure a message from the governor and obtain a two-thirds vote. As a matter of fact, the alternative contained in this proviso is far less formidable than it seems. Governors have come to treat these messages as courtesies to extend freely to a member requesting them, unless the matter is a partisan one. No test of emergency is applied. On the other hand, if the bill in question is not actively partisan, a two-thirds vote in the two houses is not difficult to obtain. On non-party matters, especially local ones, there is an easy tolerance which insures the passage of the bill.

In many instances the cities, through their legislative spokesmen, have obtained legislation by this method which could quite as readily have been obtained through action of their own local legislative bodies. It is fair to add that in many instances the securing of the emergency message is prompted by an excess of caution, for the matters involved would hardly be within the range of municipal competence. On the other hand, a considerable majority appear to be matters clearly of local character, and the number of these special acts certainly demonstrates both that the hurdling of these obstacles is comparatively easy and that it has become common in practice.

The New York provisions do not contain a self-executing grant of power to cities. The constitution does not itself confer any power upon the cities of the state, but in section 3 directs the legislature to provide that they shall have ". . . . power to adopt and amend local laws not inconsistent with the constitution and laws of the state."

This grant is not identical with the limitation placed upon the legislature. Though most, but perhaps not all, of the items enumerated in section 3 would be comprehended in the term "property, affairs or government of cities," there are surely other matters reasonably within the scope of the latter which are not included in the powers listed. If such a gap occasioned any serious inconvenience, it could readily be bridged by resort to section 5, which permits the legislature "by general laws to confer on cities such further powers of local legislation and administration as it may, from time to time, deem expedient."

When it was urged that the New York amendment was vague and conferred but a small quota of power, the advocates of the amendment promised that the legislature would supply precision and would enlarge the scope of the grant. Of course, there was nothing to compel the legislature to act to set up the home rule machinery at all, save the fact that the limitation upon its power was self-executing. Deprived of power to act itself (and therefore of all motive for not acting) and faced with the positive needs of the cities of the state, it is hard to imagine that the legislature would refuse to pass such an act.

The enabling act specifically provides that a duly enacted local law may specify a particular law which it is intended to supersede, and that this statute shall be superseded unless it (1) applies in terms and effect alike to all cities, (2) relates to matters other than property, affairs or government or (3) was enacted pursuant to Article XII on an emergency message from the governor and by the concurrent action of two-thirds of the members of the legislature. The last of these groups recalls what has been said of the unwisdom of cities taking such measures to the legislature. Until the legislature sees fit to repeal such a law (by a two-thirds vote) and presumably on an emergency message, the city is removed from control of a matter concededly pertaining to its property, affairs and government. The act also lists nine restrictions on city legislation.

The enabling act carefully prescribes the manner in which local laws shall be enacted by city legislative bodies. They are to be adopted by the city council or commission, subject to the suspensory veto of the mayor. In New York it is specially provided that local laws shall be adopted by the board of aldermen and the board of estimate and apportionment, which, acting in this capacity, are called the "municipal assembly." In many cities, the mayor sits and votes in the local legislative body in addition to possessing a veto over local laws. He is not permitted, however, to vote on reconsideration of vetoed proposals. The vote necessary to override his veto is two-thirds of those eligible to vote. If a mayor fails to sign a bill within thirty days it becomes law without his signature. The act (section 15) lists ten matters in the nature of major charter changes which must be submitted to popular referendum, and eight others (section 16) which are subject to referendum on petition of ten per cent of the electors.

Local laws enacted by the cities of the state must be filed with the secretary of state within three days of their taking effect. At the close of each year they are gathered into a volume companion to the session laws and published. The courts are required to take judicial notice of all local laws. In the six years that have elapsed since home rule became effective in New York, a total of 928 of these local laws have been adopted.

WHAT ARE THE "PROPERTY, AFFAIRS OR GOVERNMENT OF CITIES?"

Much of the future of home rule in New York state is wrapped up in the phrase "property, affairs or government of cities." This phrase limits the power of the legislature, and while it is not the measure of the power of cities to enact local laws, the tendency will be to make it so. Its use in the New York amendment is somewhat peculiar. The phrase was deliberately chosen because it had been in the constitution for almost twenty years and to some extent had acquired meaning through judicial interpretation. It was the deliberate intention of the framers of this amendment to carry the meaning as developed in these cases into the home rule amendment. The court of appeals has recognized and accepted this intention.

It so happens that there were in fact but few points established in connection with the phrase. The most explicit rulings relate to the matter of public utilities. After the rapid transit act of 1891 had been in effect for some years, it was challenged in the case of Admiral Realty Co. *v.* City of New York[1] as a special city law on the ground that it related to the property, affairs or government of New York City, to which alone it applied. The court refused to accept this contention. Similarly, when the public service commission law was passed in 1921, the court, in Matter of McAneny *v.* Board of Estimate,[2] declared that "rapid transit for the city of New York has, for many years, been a matter of public interest, affecting not only the people of that city but the whole state. It has been generally regarded as a state affair." These cases, particularly the latter, which was fresh in mind, were frequently mentioned during the discussion of the home rule amendment, and it was generally agreed that they would control its interpretation.

WHAT IS MEANT BY A LAW "GENERAL BOTH IN ITS TERMS AND EFFECT?"

The definition of general and special laws is an essential link in the New York home rule chain. The state has had an unhappy experience trying to protect cities from special legislation. The earlier emphasis was on the form. If the act by its terms was applicable to a class, it did not cease to be general, though the fact would appear, if extrinsic evidence were received, that it was local in effect. Only in the most extreme cases would the court penetrate the form and declare the classification to be in fact a designation. In view of this, the framers of the home rule amendment insist that the courts shall consider both the terms of the act and its *effect*. That the court will not pass lightly over this additional requirement is indicated in the case of Matter of Mayor of New York *re* Elm Street.[3]

Concerning the new amendment, Chief Justice Cardozo remarked:

> The home rule amendment established a new test. We are no longer confined to the inquiry whether an act is general or local "in its terms." We must go farther and inquire whether it is general or local "in its effect." Home rule for cities, adopted by the people with much ado after many years of agitation, will be another Statute of Uses, a form of words and little else, if the courts in applying the new tests shall ignore the new spirit that dictated their adoption. The municipality is to be protected in its autonomy against the inroads of evasion.

A MUNICIPALLY OWNED AND OPERATED BUS SYSTEM

One of the very first uses made of its new home rule by the city of New York was an attempt to establish a municipal bus system. To accomplish this, the city passed a series of four local laws designed to permit it to do this. Three of these amended the city charter and the fourth amended the transportation corporations law by modifying the definition of the persons and corporations that are subject to its provisions. It had been clearly established prior to the local acts that the city's charter gave it no such power. An action to test these local amendments reached the court in the case of Browne *v.* City of New York. The court refused to believe that the legislature intended to include so important a power as that of maintaining a bus system at the very time when it was refusing to enact legislation directly conveying this power. In short, it concluded that neither the home rule amendment nor the enabling act empowered cities to carry on the business of a common carrier of passengers.[4]

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[1] 206 N. Y. 110, 99 N.E. 241 (1912).

[2] 232 N. Y. 377, 134 N.E. 187 (1922).

[3] 246 N. Y. 72, 158 N. E. 24 (1927).

The city's transit problem presently produced another case shedding further light on this matter. The five-cent fare issue has long been the livest—indeed, almost the only live—issue in the city's politics. In 1926 the city administration proposed and adopted a local law "to prevent an increased fare on rapid transit or street surface railways, without the approval of a majority of the electors of the city." The law forbade the city's principal governing body to adopt any resolution that would in any way modify existing contractual arrangements obligating the operating companies to pay a five-cent fare. Being a law which curtailed the power of elective city officers, it was necessary under the home rule enabling act that it be submitted to referendum. A mandamus was sought to compel the election authorities to submit the question in Matter of McCabe *v.* Voorhis.[5] In other states some confusion has existed on the question of examining the content of the charter amendments prior to their adoption. To do so opens the door to a highly novel form of judicial inquiry, amounting to more even than the rendering of advisory opinions. If a series of forty charter amendments were being presented, the court could, under this theory, be called upon to determine questions relating to perhaps that many subject matters. The New York court was not unmindful of this difficulty, but "taking into consideration the far-reaching consequences of the adoption of the local law in question, the public interests and vast investments, and the difficulty involved in bringing it to the test of validity in any actual controversy after its approval by the electors, it seems proper for the court to consider the questions of validity raised by the relator."

In the end, the court avoided determining whether or not rapid transit in the city of New York is a state affair. It contented itself with the formal defects of the proposed local law.

COURTS AND COUNTY GOVERNMENT

It would hardly be supposed under the limited New York grant that cities would acquire any power over the courts. The common council of the city of Geneva passed a local law prohibiting the sale, manufacture or possession of intoxicating liquors. In addition, the law authorized the issuance of a search warrant by the judge of the city court and specified the procedure to be followed on the return of the warrant. The validity of a warrant issued in accordance with this local law was contested in Matter of Siracusa.[6] The city pointed to Article XII, section 3, of the home rule amendment, which empowers cities to adopt local laws "for the government and regulation of the conduct of its inhabitants and the protection of their property, safety and health." The court had no hesitation in denying that the city had power to regulate all conduct of its inhabitants. It proposed to read the *and* in this clause as *for,* so that the city would have authority to pass laws for "the government and regulation of the conduct of its inhabitants *for* the protection of their property, safety and health." This would regard the last phrase of the clause as a limitation of the power granted in the first.

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[4] This case is of interest also because it included a direct attack on the validity of the whole amendment on the ground that it was not properly adopted, due to the fact that minor amendments to the same article had been adopted by the electorate between the first and second passages of this home rule amendment. The court could find no warrant for such a limitation on the amending process and held that the procedure prescribed by the constitution had been properly followed.

[5] 243 N. Y. 401, 153 N. E. 849 (1926).

[6] 125 Misc. 882, 212 N. Y. Supp. 440 (1925).

The court had no doubt that, even read thus, the city had power to prohibit the sale, manufacture and possession of intoxicants. It could not find in this clause, or any other in the home rule amendment, power to define the authority of the courts. The constitution expressly provides that "inferior courts of civil and criminal jurisdiction may be established by the legislature." (Article VI, section 18.) The home rule act specifies that local laws may provide for their own enforcement by legal or equitable proceedings, but the court deemed it the province of the legislature to provide the courts which shall have jurisdiction to enforce such laws and to specify the procedure to be followed. The local provision regarding search warrants was therefore illegal, but the prohibitory features of the act were apparently upheld.

The case of Schieffelin *v.* Leary[7] was a taxpayer's action questioning the right of the city authorities in New York to increase the salaries of municipal court justices from $9,000 to $10,000 per annum. The former salary was fixed in the municipal court code, obviously a state law. It had been held prior to 1925 that the city had no power to modify statutory salaries. It followed that the city had no power now unless it could confer the power on itself by local law. This the city had attempted by giving its municipal boards power to fix the salary of every officer or person whose compensation is paid out of the city treasury irrespective of the amount fixed by any other act. The court pointed out that it had been repeatedly held that the phrase "whose compensation is paid out of the city treasury" refers only to city officers (even though county and judicial officers are so paid). The judges were clearly not city officers, but were embraced within the judicial system of the state. The court was disposed to believe that the city's authority was limited to the control of the salaries of officers and employees of the city government as such. And, it concluded, "certain it is that the increase of salary of the defendant Leary from $9,000 to $10,000 per annum relates 'to matters other than the property, affairs, or government' of the city of New York."

Somewhat the same reasoning had previously been employed in regard to the city of New York pension system, in which county and judicial employees participate. A local law in 1925 had sought to reduce the retirement age for this system. There could be no denying that in any other city such a pension system would be a local affair. But in Schieffelin *v.* Berry[8] it was held that the vested rights and current contributions of county and judicial employees were involved and that the city could not amend the provisions of its charter relating to the pension system. Control over county governmental affairs, it will be recalled, is specifically denied to cities in the enabling act. This is reasonable enough as regards other cities, but the perpetuation of five complete county governments in the city of New York cannot be justified. The amendment of 1915 would have given the city power over these counties, but political forces achieved its elimination. Though the cost of county government, amounting to $15,000,000 is paid from the city treasury, the city has no administrative control over county officers, and the average citizen has not the remotest notion where county jurisdiction begins and city authority ends.

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[7] 219 N. Y. App. Div. 660, 220 N. Y. Supp. 587 (1927).

[8] 217 App. Div. 451, 216 N. Y. Supp. 367 (1926), affirmed without opinion in 243 N. Y. 603, 154 N.E. 623 (1926).

TIME AND MANNER OF SELECTING LOCAL OFFICERS

The original New York home rule enabling act made the adoption of an entire charter an exceedingly difficult matter. Almost any legislative charter is likely to contain dozens of provisions which it would be impossible for the city to change. The cities could only prepare a schedule of provisions amending and repealing those sections in the existing charter which they believed were within their competence to change or exclude, and to permit the rest to stand unaltered. It is not surprising that few cities in the state attempted anything that could be called general charter revision.

Rochester is to be credited with the most ambitious and complete effort at charter revision. In 1925 it prepared a long series of amendments to its existing legislative charter converting or remodeling that instrument to provide for the council-manager plan of government. It was expected that such changes would at once be challenged in the courts, and a taxpayer's action was appropriately enough instituted by and in the name of the dominant political leader of the city. In this case, Bareham *v.* City of Rochester,[9] it was urged, for example, that the state constitution (Article X, section 2) directs that all the city officers whose election or appointment is not provided for in the constitution itself shall be appointed or elected as the legislature provides, and that Article XII, section 1, directs the legislature to provide for the organization of cities. The court, however, found that the legislature had satisfied both requirements by the passage of the home rule law giving cities the right to make changes in the structure and form of the organization of their governments. The local law under attack merely puts into operation an organization for which the legislature has provided. "The right to select and define the manner of election or appointment is, however, limited by the requirement that the method must not be inconsistent with the constitution or with statutes which are applicable to all cities and that it must not conflict with the procedure directed by the City Home Rule Law itself." The state election law was not a law applicable alike to all cities of the state. The legislature had made numerous exceptions to its provisions in the interest of various named cities. The Rochester local law was modeled on these. The court was clear, therefore, that:

> The municipality is empowered to modify an election law in so far as that law affects the property, government or affairs of the municipality; i.e., in so far as it affects the election of the local officers. It cannot, of course, modify the election law in respect to other officers, for as to these the election law is not one that regulates the municipal government or affairs.

But the city was required to specify the exact provision of general law which it would amend. The Rochester local law in the instant case had failed to do this. The procedure for the enactment of local law had to be precisely followed. The court felt itself constrained to hold that the local law was on this account inoperative. The other provisions of the local law relating to assessment and taxes were considered separable and were upheld.

This situation was remedied the very

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[9] 246 N. Y. 140, 158 N. E. 51 (1927).

next year by the addition of a new clause to the provisions of the enabling act relating to the adoption and amendment of local laws. The local legislative body of the city is now given power:[10]

> To enact as local laws the provisions of any charter, general law or special act of the legislature, theretofore enacted, conferring a right, power or authority, or imposing a duty or obligation, on such city, whether or not the same relate to the property, affairs or government of the city or to matters of state concern. Any such provision of law so re-enacted shall thereafter be subject to be superseded by local law only to the same extent and in the same manner as if the same had not been so re-enacted.

By an earlier amendment to section 12 of the act the requirement of minute specification of the legislative act which the proposed local law was intended to supersede was relaxed by a proviso that "The failure to specify" should "not affect the validity of such local law."[11]

REGULATION OF MULTIPLE DWELLINGS

During the discussion preceding the adoption of the home rule amendment in New York there was hardly a doubt that the city was not being given the power to amend the tenement house law of 1901, which provided elaborate regulations for dwellings occupied by three or more families in Buffalo and New York City. When the enabling act was passed, the cities of the state were expressly denied power to amend the tenement house law. Shortly thereafter a legislative commission was appointed to revise this law and bring it up to date. Improvements in fireproof construction had rendered some of its restrictions less necessary; and a quarter century of experience had suggested to some, ways of dodging its provisions, and to others, ways in which it might be improved and extended. The outcome of several years of discussion and compromise was the new multiple dwellings act of 1929, designed to replace the tenement house law so far as New York was concerned, but not as to Buffalo. The act was promptly attacked in the courts and declared invalid in the supreme court in New York County. It reached the Court of Appeals in the case of Adler *v.* Deegan.[12]

The case turned solely on the question whether the subject matter of the act concerned the property, affairs or government of the city. The city argued that it did, and pointed out in addition that section 3 of the amendment committed to it "the government and regulation of the conduct of its inhabitants and the protection of their property, safety and health." The majority of the court, two judges dissenting, took the view that it was a concern of the state. Being such, the legislature was not bound by the limitation requiring a general law or an emergency message and two-thirds vote.

The Tenement House Law had been sustained many years before as an exercise of the state's police power.[13] At that time though the act was severely attacked as a deprivation of property without due process of law, it was not contended that it related to the property, affairs or government of the city so as to require submission to the local authority. The court had discussed quite elaborately the interest of the state in the housing of its people. From this the court in the instant case concluded that:

> While this case does not touch the point now presented to this court, the fact remains that the police power of the state, in so far as it dealt with the health of the people of the state, including those in the large cities, has ever since, if not always, been considered a state affair, a matter in which the people of the state as a whole were interested, as contrasted with a local affair in which the people of the cities had the first and final say.

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[10] Laws of 1928, ch. 668.

[11] Laws of 1925, ch. 647.

[12] 251 N. Y. 467, 167 N.E. 705 (1929).

[13] Tenement House Department of the City of New York *v.* Moeschen, 179 N. Y. 325, 72 N. E. 231 (1904).

No point was made that the Tenement House Act was an affair of the city.[14]

It was further pointed out, presumably as indicative of legislative construction, that the home rule enabling act denied to the city the power to amend the tenement house law. If the legislature were itself without power to amend the law, there would be no power anywhere to modify it. Of course, the legislature could grant the power to the city, but until it did so, the city could not claim the power. This was within the contemplation of the New York home rule scheme. The court is, therefore, in error in saying: "If the state has not the power, the city must have it. Power of this important and vital nature would not be left to inference or indirection." Yet this is exactly what the New York amendment does. It places certain precise and immediate limitations on legislative authority and leaves the legislature free to determine the extent of the power of local legislation it will give to the cities.[15]

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[14] Elsewhere in the opinion it is said: "The business of the country, if not the world, is more or less centered in New York City. The point of all this is, that New York City with its millions is made up very largely of those who pass through it, or temporarily reside in it. It is a shifting population, scattering over all portions of the state and to the four corners of the earth. A pestilence, a disease, anything that affects the health and the welfare of the city of New York, touches almost directly the welfare of the state as a whole. We need not deal with the financial results to the state following good or bad hygienic conditions. We may well confine ourselves more particularly to the social element and those things which government has today considered as part of its governmental function, the bodily and mental health of its inhabitants. The health of a community, we have discovered, thanks to science, has more to do with the general prosperity and welfare of a state than its wealth or its learning or its culture. A happy, contented citizen is the foundation of the future; he is the bulwark of the commonwealth.

The police power of the state has never been questioned when it dealt directly with hygienic conditions of a community. Unless the intent is clear or reasonably certain it should not now be limited or whittled away by the reform known as home rule for cities."

[15] *Cf.* McBain, "The New York Proposal for Municipal Home Rule," *loc. cit.*

St. Paul Remade By Long-Term Planning

THE city and county joined in a democratically drawn program of public improvements which is now practically a completed fact

BY CARL P. HERBERT

St. Paul Bureau of Municipal Research

FOUR years ago staid, conservative St. Paul adopted overwhelmingly what was probably the first comprehensive local improvement program ever drawn up in this country. Three persons out of every four who voted at the election at which over one hundred thousand exercised their right of franchise, were in favor of issuing $15,719,000 of bonds for city, school and county improvements. Beside the bond issues, special assessments involving several millions of dollars were to be levied against property benefited by street widenings and improvements. The program was a twenty million dollar one.

Only the year before a number of bond issues submitted to the voters by city officials had been defeated on the plea that, while in the main meritorious, they were not based upon a comprehensive study of the needs of the community and did not form a real improvement program, and on the promise that civic organizations would immediately after the defeat of the proposals, prepare a long-time program of public improvements.

A DEMOCRATIC PROGRAM

In fulfillment of this promise there was organized the United Improvement Council, composed of representatives of all city-wide organizations. Working together with the public officials were the Bureau of Municipal Research, the Trades and Labor Assembly, the Association of Commerce, the Federation of Women's Clubs, the League of Women Voters, the Sterling Club—a total of twenty-five organizations. Bringing together so many persons of divergent views in and of itself promoted harmony and understanding within the various groups and classes in the city and county, knit together the citizenship and removed numerous petty jealousies between the districts of the city.

As a result of the labors of this democratic group, there was presented in the fall of 1928 a program of improvements to meet the needs of the city, schools and county for the next five years in a comprehensive manner to stir the pride of every citizen not merely in the physical structures themselves, but in that which comes of worth while accomplishment. It was felt that a definite program, followed by actual prosecution of the work, would stimulate the confidence, energies and activities of the citizens and influence materially private development of the city and county. Further, the doing of the work would give employment to many of the people, for the unemployment problem was with us even before this more serious period of readjustment.

FINANCING THE PROGRAM

The method of financing this program was studied at the same time as were the physical improvements so that the costs might be kept within the means of the taxpayers. The projects suggested and considered involved the expenditure of over thirty millions of dollars. After eliminating the merely desirable and non-essential projects the total was brought down to the amount of the bond issue, an amount which could be easily financed by the city and county. Included in the program was six million dollars for street widenings out of county funds. Before this time these improvements were being financed on a pay-as-you-go plan. It was felt that by bonding for these it would be possible not only to secure the improvements in a reasonable length of time but also to reduce final costs. While it is true that the pay-as-you-go program usually is less expensive, it had so operated in this county that numerous projects of minor importance and of local interest only crept annually into the appropriations.

Thus it is possible for the county to get the improvements without increasing the annual appropriation for roads, in view of the fact that the debt charges replace the annual appropriations for road improvements. After taking this into account it was estimated that the increased cost due to borrowing would approximate annually during the life of the bonds 1.15 mills on a true and full basis of assessment. This meant that around four and one-half dollars would be added to each one hundred dollars paid in taxes during the life of the bonds, assuming that the total valuation of property remains stationary. It was also estimated that the city would remain at all times well within its statutory limit on debt and that when the bonds were all issued there would still be a reasonable margin for future borrowing.

The program evolved by the United Improvement Council and adopted by the voters was:

Schools	$1,152,000
Airport	500,000
Barge terminal	142,000
Parks, playgrounds, and parkways	875,000
Auditorium	1,500,000
Safety building	850,000
Paving	500,000
Public works storehouse	200,000
County court house and city hall	4,000,000
Street widenings and improvements by county	6,000,000
Total	$15,719,000

The airport was completed in 1929 and is now the headquarters of the Northwest Airways, the largest operating airline in the Northwest. That same year the barge terminal was put into operation and is self-sustaining. The park, playgrounds and boulevard improvements were completed in 1929 and 1930. The last of the schools will be constructed this year. The auditorium has been in use for six months and has held audiences of more than ten thousand. The public safety building has housed the police, fire and health departments for two years. The public works storehouse was put into use in 1930. The court house and city hall will be completed this fall. Much of the street widening has been done. There remain $400,000 of city bonds and $500,000 of county bonds to be issued. Both the city and county today, as in the past, enjoy as low interest rates as almost any municipality in the country.

THE RESULTS

Nearly four years have passed since the issuance of the bonds was authorized. An intelligent appraisal can now be made of the results of long-time democratic planning as conceived and carried out in St. Paul.

During the past four years there has been no demand for improvements outside the program. Thus the city and county officials have been able to turn their attention to important administrative problems without having to listen to incessant time-taking demands for improvements. This accounts in part for the reputation of St. Paul and Ramsey County of being among the most economically operated municipalities in this country.

Before the adoption of the program the city council and the county board had been unable to plan more than a year ahead. The results were temporary makeshifts, unrelated improvements, and the taking care of the particular projects that seemed for the moment supported by the loudest clamor. To lay down a definite objective and then through the years obtain it was impossible. With the inauguration of the new idea every cent expended went to worth while improvements that dovetail one into another in a harmonious whole. By the widening of certain arteries of travel the development of the business district is dictated. The imposing new court house and city hall within this district sets a standard for private buildings. Through a street widening the dilapidated Mississippi waterfront has become a beautiful parkway and thoroughfare. The flow of traffic throughout the city has been facilitated.

Private business responded to the enterprise of public business. The tallest bank and office building between Chicago and the Pacific Coast has been erected to enhance the skyline. A medical arts building, another large office building, a public utilities building, a new store building, and numerous new minor buildings and fronts on business properties downtown have been built. In all, $25,000,000 of private projects have been completed.

Today St. Paul has the lowest percentage of unemployed of any large city in Minnesota. The carrying out of the improvement program accounts in no small measure for this. Although not consciously planned to meet such an economic situation as now confronts us, through the prosecution of the program St. Paul has been directly or indirectly employing thousands of its citizens on worth while improvements and has therefore not had the enormous demands for relief common to most of our cities. Then, too, the improvements have been constructed at the lowest possible costs.

A short time ago a college professor returned to St. Paul for the first time since leaving in 1928. He said, "I doubt whether your people have any idea of the improvement in the physical appearance of their city. Day by day observation takes away this perspective. To me St. Paul is remade." And as he talks to the people he will find that St. Paul is remade, not physically alone, but also civically. The campaign to bring about the adoption of the long-term program united and educated the citizen, in municipal affairs. The daily evidences of its physical development keeps alive the pride and interest of each citizen.

Tax Burden Lightens

(Comparative Tax Rates of 277 Cities, 1932)

ANNUAL tabulation shows rates up but total tax burden reduced through lowered property values

BY C. E. RIGHTOR

Detroit Bureau of Governmental Research

IN THE accompanying table are presented in statistical form the tax rates for the current year in 277 cities having over 30,000 population in the United States and Canada.

The Census Bureau's *Financial Statistics of Cities over 30,000 Population* is authority for the statement that property taxes continue to contribute over two-thirds of the revenues of those cities. It is a matter of concern to public officials and taxpayers to have available information relative to these taxes and their trend. The tax rate is an index to the cost of local government, and it is desirable to have available a current and concise compilation of the property tax rates payable in 1932. The tabulation is an endeavor to make available this information.

The objective of the tabulation is to report the total tax rate per $1,000 assessed valuation of all taxable property, detailed by separate levies or purposes. For comparison, this rate is then translated into tax burden.

CASH VALUE TAKEN AS BASIS

The nature of the data presented is evident in the columnar headings. The basis of assessment stipulated in the statutes of most states is 100 per cent, or true cash value, and taxes levied upon that basis. Accordingly, the tax rates are tabulated upon that basis. For a comparatively few cities, however, the statutes provide an assessment basis other than 100 per cent, and in tabulating the rates in such cases an adjustment has been made to present the rates upon a uniform 100 per cent basis. Each instance of such deviation is indicated by an "A" in the total tax rate column, the legal basis being reported in a footnote.

The cities are listed in order of population according to the 1930 census, and by the five census groups. The Canadian cities are listed in accordance with the latest available census data.

There follows the assessed valuation, and a percentage distribution as between realty and personalty. In the Canadian cities there is no assessment of personal property, and accordingly, assessments of business and income, which are taxed at the rate on realty, are tabulated as realty.

The date upon which the city's fiscal year begins is next given, followed by the date, or instalment dates, of tax collection.

The tax rate per $1,000 assessed valuation upon a uniform 100 per cent legal basis is next reported, separately for city, school, county and state purposes, and the total. These are the actual rates to be found on the tax bill for a parcel of property assessed at $1,000, except as adjusted for cities not having a 100 per cent legal basis.

TAX BURDEN INDICATED

Finally, in the last two columns an attempt is made to report what the tax rate would be if all assessments were made at the maximum value prescribed by law. Recognizing the practical difficulties of assessing absolutely uniformly and equitably each year all the properties in any city at the legal basis—and in many instances the acknowledged deviation from such basis,—it is believed that the value of the table is enhanced if it gives consideration to such deviation. The actual rates, therefore, are adjusted according to the ratio of assessed value to legal basis reported for each city. This ratio of course is at best an estimate, however carefully determined, which means that the final column in the table is a theoretical rate. This figure, therefore, indicates the relative tax burden upon the taxpayer, as opposed merely to the tax rate. Nothing less would be of value in measuring the comparative tax load in any number of cities.

The seemingly simple task of reporting in a single line the information about taxes in a group of cities is complicated by many variations in the data. These variations apply to assessments in one case, to the fiscal year or the rates in another, etc., even though in the great majority of cities the presentation of the data conforms to ordinary standards. Because of the effect of these deviations, it must be cautioned that the figures of any city are subject to the footnote referring thereto. The increase in footnotes evidences the complications in reporting tax data.

The table is limited to general property tax rates. To the extent that a municipality has other sources of revenue, the tax rate is not an ultimate gauge of the cost of its government, nor of its effectiveness. The reported tax rate multiplied by the assessed valuation would not give its operating budget. Even so, the data afford a wealth of information for purposes of comparisons, not only for the current year but with similar compilations of prior years.

WIDE RANGE IN RATES

The total tax rate column shows a range from $78.14 for St. Petersburg to $15.50 for Lancaster. For the Canadian cities, the range is from $39.73 for Edmonton to $25.67 for Regina. In group I the range is from $67.40 for Chicago to $26.80 for New York; for group II, Portland's rate is $46.40, and Washington's $17.00; group III, San Diego, $63.30, and Birmingham, $21.60; group IV, Fresno, $59.89, and Lancaster, $15.50; and in group V, the range is from St. Petersburg, already given, to $19.40 for Steubenville.

The average rate for all cities is $35.71. The average for 290 cities in 1931 was $35.04. The increase of 67 cents appears to be due in part to the reduction in assessed valuations, as is discussed later.

Limiting the comparison to 256 cities reporting in both 1931 and 1932, the average in 1932 is $35.03, or only 4 cents more than the $34.99 average for these cities in 1931. Of these 256 cities, 112 increased their rates over 1931, the same number decreased their rates, and 32 reported no change. These data give evidence that the tax rate on property is almost stationary, and in view of assessment trends, possibly diminishing.

Of greater significance, undoubtedly, are the rates reported in the column "Adjusted tax rate"—formerly termed "Final readjusted tax rate,"—which give consideration to the varying degrees of applying the legal basis of assessment, and report the tax burden at a lower figure than the tax rate directly in proportion as assessments digress from that basis.

BOSTON HIGH AMONG LARGE CITIES

The range of adjusted rates is from $54.57 for Pensacola to $13.13 for Norristown. For Canada, the range is from Edmonton, $39.73, to Ottawa, $23.33. It is desirable to compare group ranges of these adjusted rates with the actual rates, already reported. The adjusted rates, by groups, are: for group I, Boston, $35.50, high, to Los Angeles, $16.97, low; for group II, Jersey City, $38.79, to Washington, $17.00; group III, Somerville, $40.10, to Birmingham, $14.40; group IV, from Hoboken, $43.80, to Greensboro, $14.94; and for group V, from Pensacola to Norristown, figures reported above.

The average adjusted rate for all cities is $26.25. For 290 cities reporting in 1931, this average was $25.03. The increase in 1932, therefore, is $1.22.

For 256 comparable cities, 1931 and 1932, the average adjusted rates were $25.39 and $26.31, respectively, or an increase of 92 cents. Of the total, 149 cities increased their rates, 95 reduced their rates, and 12 reported no change. It is believed that the increase in average is due largely to two factors,—first, higher ratios reported of assessed to legal basis of valuation; and second, reduced assessments. In other words, the gross tax yield is probably not increased at the rate of the full amount of this average rate increase because the assessed valuations are lower.

ASSESSED VALUATIONS

An analysis of assessed valuations discloses information pertinent to this conclusion. The valuation of all cities reporting this year is $81,700 millions, of which $3,427 millions is of Canadian cities.

The per capita valuation ranges from $1,299 in the group V cities, increasing by groups, to $2,083 for the group I cities, and an average for all United States cities of $1,730; for the Canadian cities, the average is $1,297. The per capita valuations in all groups are lower in 1932 than in 1931, the average reduction being $77 for the United States cities; the Canadian cities increased an average per capita of $23. Exclusive of New York, the net average per capita reduction in the cities of the United States is $113, or 7 per cent.

For 256 cities for which assessed valuations were available in 1931 and 1932, the total valuations were $83,756 millions and $80,316 millions, respectively, or a net reduction of $3,440 millions in 1932. Of these totals, 15 Canadian cities had total valuations of $3,393 millions and $3,427 millions, respectively, or a net increase of $34 millions.

MANY CITIES CUT VALUATIONS

The average per capita valuations for the two years, exclusive of Canadian cities, were $1,823 and $1,744, or a net reduction in 1932 of $79 per capita. Every census group reported a net average reduction, ranging from $64 in group II to $98 in groups III and IV. The Canadian cities averaged $1,284 per capita valuation in 1931, and $1,297 in 1932, or a net average increase of $13 per capita.

As to the numerical trend of assessments in these comparable cities, it is found that 40 cities increased their total assessment rolls, 149 cities reduced, and 67 reported no change.

An analysis was made of the correlation between assessed valuations and tax rates. For 149 cities in which reduced valuations were reported for 1932, it is found that 66 cities increased, 61 reduced, and 22 reported no change, from their 1931 rates. Thus, in 61 cities a reduced tax levy is assured, because both the rate and valuation are lower than last year. In 22 cities, a reduced levy also is assured, because the rate is unchanged and the valuation is lower than in 1931. In the remaining 66 cities, the reduction in assessed valuation has been partially or wholly offset by increased tax rates.

For 67 cities in which assessed valuations reported for 1932 were unchanged from the preceding year, it is found that 23 cities increased, 32 decreased, 12 reported no change, from the rates for 1931. This indicates a reduced tax levy in 32 cities.

TAXES REDUCED, TABLE SHOWS

In total, therefore, the table shows conclusively that the amount of property taxes levied in 1932 is definitely reduced in at least 115 cities and possibly more of the 256 comparable cities.

Despite the trend to lower assessments, reductions in many cities have not kept pace with the decline in actual values. This is indicated by the reports of the ratio of assessed value to legal basis for 256 comparable cities, which show an increase in 86 cities, a decrease in 39, and no change in 131 cities. This ratio must be taken into consideration when interpreting the reductions in tax levy shown by the 115 cities.

Local taxation is continuing to engage the attention of both public officials and citizens, seeking relief to the tax load on property. Numerous examples indicate the success which is being attained to this end, and much more may be expected. Yet the ultimate must be accomplished rationally, in the interests of the public, through maintenance of the essential physical and social services rendered by government, in addition to securing the city's financial integrity in its debt relations. Rare statesmanship will be required for many months to come, particularly in our larger cities.

Efforts must be made to solve our tax problems with prophetic sanity. First, municipalities must adjust their expenditures to their income, through elimination of waste and unnecessary services. Then it may be necessary to draft new sources of revenue. In this connection, the report of the National Industrial Conference Board, on *Current Tax Problems in New York State,* is of interest, stating:

> When considered from the standpoint of state taxation alone, real estate would appear to be carrying more than its proportionate share of the total tax burden, but when the burden imposed on real estate base is compared with the burden on all tax bases, including both state and federal taxes, real estate appears to bear about the same proportion to the total tax burden that it bears to the gross wealth of the State. Instead of developing additional sources of revenue to relieve real estate immediately of a large proportion of its burden, steps should be taken to reduce the expenditures of the local governments through a more efficient organization of their financial administration. A more centralized administration, as outlined in this report, should result in greater equality in the real estate tax burden and lower administrative costs. After this adjustment has been made, the tax system can be revised with a view to further relieving real estate, if this seems necessary.

A committee of the National Tax Association has been named to re-draft a model system of state and local taxation, and is already at work. Its report in 1933 undoubtedly will prove a rich and practicable source of information to our states and cities.

To compile this, the eleventh annual compilation of tax rates, questionnaires were sent to all cities over 30,000 population in the United States and Canada. The voluntary and genuine spirit of cooperation manifested by the large number of public officials and citizen agencies which furnished the data has enabled its compilation, and this assistance is gratefully acknowledged.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932

Compiled By the Detroit Bureau of Governmental Research

From Data Furnished by Members of the Governmental Research Association, City Officials, and Chambers of Commerce

City	Census 1930	Assessed Valuation	Per Cent		City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
			Realty	Personalty			City	School	County	State	Total			
Group I														
Population 500,000 and over														
1. New York, N. Y.[1]	6,930,466	$19,977,095,815	98	2	Jan. 1	May 1 Nov. 1	$21.65	$4.51*	$.64*	—	$26.80	90	$24.12	1.
2. Chicago, Ill.[2]	3,376,438	3,788,915,049	79	21	Jan. 1	Apr. 1	36.90	20.10	6.50	3.90	67.40	37	24.94	2.
3. Philadelphia, Pa.[3]	1,950,961	4,495,819,147	77	23	Jan. 1	Jan. 25	18.25	9.50	—	N	27.75	90	24.98	3.
4. Detroit, Mich.	1,568,662	2,648,326,070	80	20	July 1	July 15 Dec. 31	20.15	7.28	4.35	3.43	35.21	90	31.69	4.
5. Los Angeles, Calif.[4]	1,238,048	1,394,226,820	90	10	July 1	Nov. 1 Jan. 20	15.70	18.00	9.80	N	43.50	39	16.97	5.
6. Cleveland, Ohio[5]	900,430	1,645,430,290	87	13	Jan. 1	Dec. 20 June 20	10.91	11.06	5.43	.20	27.60	80	22.08	6.
7. St. Louis, Mo.	821,874	1,325,414,407	89	11	Apr. 14	Nov. 1	17.20	8.70	N	1.20	27.10	70	18.97	7.
8. Baltimore, Md.[6]	804,874	2,127,241,934	63	37	Jan. 1	Jan. 1	18.41	6.09	N	2.50	27.00	100	27.00	8.
9. Boston, Mass.	781,188	1,890,005,000	93	7	Jan. 1	Sept. 15	23.27	7.67	1.87	2.69	35.50	100	35.50	9.
10. Pittsburgh, Pa.[7]	669,817	1,208,266,120	100	—	Jan. 1	Jan. 1	17.08	11.75	8.38	N	37.21	75	27.91	10.
11. San Francisco, Calif.[8]	634,394	790,244,375	88	12	July 1	Nov. 1 Jan. 20	30.68	8.92	—	N	39.60	45	17.82	11.
12. Milwaukee, Wis.	578,249	973,843,950	91	9	Jan. 1	Dec. 15	14.45	11.51	7.70	—	33.66	80	26.93	12.
13. Buffalo, N. Y.	573,076	1,125,853,030	100	—	July 1	July 1 Dec. 1	14.02	9.60	6.61	.23	30.46	81	24.67	13.
Group II														
Population 300,000 to 500,000														
14. Washington, D. C.[9]	486,869	1,293,202,394	94	6	July 1	Sept. Mar.	11.00	6.00*	N	N	17.00	100	17.00	14.
15. Minneapolis, Minn.[10]	464,356	330,853,640	86	14	Jan. 1	Jan. 2	14.93	8.48	2.69	3.03	29.13A	100	29.13	15.
16. New Orleans, La.[11]	458,762	610,093,510	73	27	Jan. 1	June 1	18.28	5.95	3.50	5.75	33.48A	90	30.13	16.
17. Cincinnati, Ohio	451,160	992,378,450	93	7	Jan. 1	Dec. June	9.59	7.57	3.34	.20	20.70	100	20.70	17.
18. Newark, N. J.[12]	442,337	922,692,106	80	20	Jan. 1	June 1 Dec. 1	19.16	8.91	6.03	3.89	38.00	80	30.40	18.
19. Kansas City, Mo.[13]	399,746	489,807,060	76	24	May 1	June 1	15.00	11.50	5.70	1.50	33.70	69	23.41	19.
20. Seattle, Wash.[14]	365,583	312,861,874	82	18	Jan. 1	Feb. 1	16.40	7.00	8.25	4.51	36.16	94	33.99	20.
21. Indianapolis, Ind.	364,161	674,660,240	69	31	Jan. 1	Jan. 1 July 1	12.10	10.00	2.90	2.90	27.90	90	25.11	21.
22. Rochester, N. Y.	328,132	654,487,648	100	—	Jan. 1	Jan. 1 July 1	18.63	9.24	5.74	—	33.61	78	26.22	22.
23. Jersey City, N. J.[12]	316,715	635,310,426	94	6	Jan. 1	June 1 Dec. 1	16.90	8.57	9.22	4.10	38.79	100	38.79	23.
24. Louisville, Ky.[15]	307,745	404,253,134	87	13	Sept. 1	Jan. 10	15.95	6.35	4.00	3.00	29.30	80	23.44	24.
25. Portland, Ore.[16]	301,815	340,528,870	89	11	Dec. 1	May 5 Nov. 5	21.60	17.84	6.96	—	46.40	53	24.59	25.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment City	School	County	State	Total	Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
GROUP III Population 100,000 to 300,000														
26. Houston, Texas	292,352	$325,000,000	94	6	Jan. 1	July 1	$20.00	$11.10	$9.00	$6.90	$46.90	50	$23.45	26.
27. Toledo, Ohio	290,718	535,000,000	80	20	Jan. 1	June Dec.	11.82	9.52	5.86	.20	27.40	90	24.66	27.
28. Columbus, Ohio	290,564	450,580,750	96	4	Jan. 1	Dec. 20 June 20	7.55	9.95	4.00	.20	21.70	80	17.36	28.
29. Denver, Colo.	287,861	443,908,790	68	32	Jan. 1	Jan. 1 July 1	14.96	13.60	—	3.49	32.05	80	25.64	29.
30. Oakland, Calif.	284,063	256,218,392	90	10	July 1	Nov. 1 Jan. 20	20.50	10.00	25.70	N	56.20	35	19.67	30.
31. St. Paul, Minn.[10]	271,606	180,325,020	85	15	Jan. 1	May 31 Oct. 31	11.69	7.84	5.60	2.95	28.08A	80	22.46	31.
32. Atlanta, Ga.[17]	270,366	390,000,000	74	26	Jan. 1	May July Oct.	8.40	6.60*	11.00	5.00	31.00	70	21.70	32.
33. Dallas, Texas	260,475	384,053,075	75	25	Oct. 1	Sept. 1 Mar. 1	15.20	9.10	8.10	6.90	39.30	50	19.65	33.
34. Birmingham, Ala.[18]	259,678	197,753,895	82	18	Sept. 1	Oct. 1	6.90	3.90	6.90	3.90	21.60A	67	14.40	34.
35. Akron, Ohio	255,040	330,544,320	86	14	Jan. 1	Dec. 20 June 20	11.29	13.08	3.73	.20	28.30	60	16.98	35.
36. Memphis, Tenn.	253,143	301,256,756	90	10	Jan. 1	June 10 Aug. 10 Oct. 10 Dec. 10	15.10	6.50	10.34	N	31.94	70	22.35	36.
37. Providence, R. I.[19]	252,981	524,118,854	82	18	Oct. 1	Oct. 1	15.05	8.35	—	1.10	24.50	75	18.38	37.
38. San Antonio, Texas	231,542	253,874,080	79	21	June 1, '31	Apr. 1	19.80	10.00	7.30	7.40	44.50	75	33.38	38.
39. Omaha, Nebr.	214,006	294,182,435	70	30	Jan. 1	May 1	12.05	13.40	4.06	2.37	31.88	60	19.13	39.
40. Syracuse, N. Y.	209,326	389,245,066	100	—	Jan. 1	May 1	17.01	9.49	6.48	—	32.98	84	27.70	40.
41. Dayton, Ohio	200,982	339,523,340	95	5	Jan. 1	Dec. June	11.41	10.18	2.81	.20	24.60	100	24.60	41.
42. Worcester, Mass.	195,311	338,164,500	90	10	Dec. 1	Oct. 10	22.65	8.38	1.52	1.25	33.80	100	33.80	42.
43. Oklahoma City, Okla.	185,389	127,075,026	90	10	July 1	Apr. 1	16.78	19.27	9.15	3.50	48.70	45	21.92	43.
44. Richmond, Va.[20]	182,929	261,751,553	93	7	Feb. 1	June Nov.	16.00	7.50	N	N	23.50	81	19.13	44.
45. Youngstown, Ohio	170,002	287,449,010	100	—	Feb. 1	Dec. 20 June 20	9.69	9.78	3.43	.20	22.20	85	18.87	45.
46. Grand Rapids, Mich.	168,592	243,775,021	83	17	Apr. 1	July Oct.	13.83	11.49	3.09	3.85	32.26	100	32.26	46.
47. Hartford, Conn.	164,072	389,529,484	87	13	Apr. 1	July 1	15.18	10.74	.44	.64	27.00	80	21.60	47.
48. Fort Worth, Texas	163,447	188,308,602	76	24	Oct. 1	Oct. 1	19.40	10.00	8.50	7.40	45.30	55	24.92	48.
49. New Haven, Conn.	162,655	333,990,899	89	11	Jan. 1	Mar. 1 Sept. 1	13.50	11.00	1.00	—	25.50	100	25.50	49.
50. Flint, Mich.	156,492	196,059,850	84	16	July 1	July 1 Oct. 1 Feb. 1	15.20	13.00	3.99	4.42	36.61	100	36.61	50.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent		City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP III—Continued														
51. Nashville, Tenn.	153,866	$186,624,700	80	20	Jan. 1	Aug.	$18.50	$ 3.50	$7.00	$ .80	$29.80	80	$23.84	51.
52. Springfield, Mass.	149,900	303,193,960	91	9	Dec. 1	Nov. 1	17.85	10.85	1.64	1.36	31.70	100	31.70	52.
53. San Diego, Calif.	147,995	120,926,976	90	10	July 1	Nov. 1	24.90	12.10	26.30	N	63.30	44	27.85	53.
54. Bridgeport, Conn.	147,716	266,073,576	85	15	Apr. 1	Apr. 1 Sept. 1	18.30	10.01	.35	.74	29.40	80	23.52	54.
55. Scranton, Pa.[7]	143,433	124,204,835	100	—	Jan. 1	Jan. 29	17.53	21.00	10.75	N	49.28	50	24.64	55.
56. Des Moines, Ia.[21]	142,559	179,040,000	81	19	Apr. 1	Jan. 1	15.36	16.92	6.82	2.25	41.35A	80	33.08	56.
57. Long Beach, Calif.	142,032	188,306,590	89	11	July 1	Oct. 17 Jan. 2	15.00	18.10	.88	N	41.90	50	20.95	57.
58. Tulsa, Okla.	141,258	149,451,173	85*	15*	July 1	Jan. 1	18.50	18.70	7.60	3.50	48.30	60	28.98	58.
59. Salt Lake City, Utah	140,267	166,811,799	75	25	Jan. 1	Sept. 23	12.10	10.50	5.88	8.46	36.94	70	25.86	59.
60. Paterson, N. J.[12]	138,513	204,027,516	90	10	Jan. 1	June 1 Dec. 1	17.36	10.66	6.75	3.96	38.73	70	27.11	60.
61. Yonkers, N. Y.	134,646	360,985,593	97	3	Jan. 1	Jan. 15 July 15	19.09	9.87	4.32	——	33.28	85	28.29	61.
62. Norfolk, Va.[22]	129,710	178,322,896	90	10	Jan. 1	July Nov.	28.50	——	N	N	28.50	58	16.53	62.
63. Jacksonville, Fla.	129,549	102,000,000	87	13	Jan. 1	Nov. 1	22.50	22.00	13.12	4.88	62.50	60	37.50	63.
64. Albany, N. Y.	127,413	244,748,394	100	—	Jan. 1	Mar. 1	24.57	5.72	4.95	.22	35.46	79	28.01	64.
65. Trenton, N. J.[12]	123,356	200,607,585	89	11	Jan. 1	June 1 Dec. 1	19.60	7.40	6.30	3.90	37.20	80	29.76	65.
66. Kansas City, Kans.	121,857	131,109,446	80	20	Jan. 1	Nov. 1	13.06	16.56	6.49	1.99	38.10	60	28.86	66.
67. Chattanooga, Tenn.[22]	119,798	130,000,000	91	9	Oct. 1	Oct. 1	18.60	——	12.80	.80	32.20	90	28.98	67.
68. Camden, N. J.	118,700	201,543,313	91	9	Jan. 1	June 1 Dec. 1	12.21	9.73	5.68	3.98	31.60	80	25.28	68.
69. Erie, Pa.	115,967	158,653,695	96	4	Jan. 4	Jan. 4	13.50	14.00	9.00	N	36.50	75	27.38	69.
70. Spokane, Wash.[23]	115,514	87,161,089	75	25	Jan. 1	May 31 Nov. 30	10.05	6.20	5.44	4.81	26.50A	88	23.32	70.
71. Fall River, Mass.	115,274	112,359,700	81	19	Jan. 1	Oct. 15	31.01	9.79	1.31	1.59	43.70	70	30.59	71.
72. Fort Wayne, Ind.	114,946	224,570,530	70	30	Jan. 1	May 2 Nov. 7	7.50	8.57	5.00	3.23	24.30	85	20.61	72.
73. Elizabeth, N. J.[12]	114,589	164,370,382	90	10	Jan. 1	June 1 Dec. 1	15.43	9.08	6.46	3.93	34.90	100	34.90	73.
74. Cambridge, Mass.	113,643	191,227,400	91	9	Jan. 1	Oct. 15	26.37	7.21	1.15	2.47	37.20	100	37.20	74.
75. New Bedford, Mass.	112,597	131,909,650	79	21	Dec. 1	Oct. 15	29.04	8.46	1.08	1.22	39.80	100	39.80	75.
76. Reading, Pa.	111,171	171,404,093	100	—	Jan. 4	July 1	10.00	12.00	5.00	N	27.00	67	18.00	76.
77. Wichita, Kans.	111,110	158,510,770	78	22	Jan. 1	Dec. 20 June 20	10.38	17.05	4.08	1.99	33.50	70	23.45	77.
78. Miami, Fla.	110,637	97,511,405	87	13	July 1	Nov. 1	23.31	10.53	6.23	1.87	41.94	50	20.97	78.
79. Tacoma, Wash.[24]	106,817	66,595,078	79	21	Jan. 1	Feb. 1	11.41	7.25	17.05	——	35.71A	100	35.71	79.
80. Wilmington, Del.[25]	106,597	153,189,300	100	—	July 1	July 1	15.20	1.60	7.50	N	24.30	75	18.23	80.
81. Knoxville, Tenn.	105,802	134,352,834	89	11	Jan. 1	Apr. 1 July 1 Oct. 1 Dec. 31	20.80	5.00	10.70	.80	37.30	80	29.84	81.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
							City	School	County	State	Total			
GROUP III—Continued														
82. Peoria, Ill.	104,969	$ 92,700,000	—	—	Jan. 1	Dec. 1	$19.91	$15.78	$5.31	$3.90	$44.90	60	$26.94	82.
83. Canton, Ohio	104,906	170,247,020	87	13	Jan. 1	Dec. 20 June 20	6.22	10.53	3.55	.20	20.50	80	16.40	83.
84. South Bend, Ind.	104,193	199,325,560	66	34	Jan. 1	May 2 Nov. 7	7.70	10.75	6.05	2.90	27.40	60	16.44	84.
85. Somerville, Mass.	103,908	123,285,500	94	6	Jan. 1	Nov. 1	24.02	10.18	1.25	4.65	40.10	100	40.10	85.
86. El Paso, Texas	102,421	114,402,880	79	21	Mar. 1	Dec. 15	13.81	8.69	10.30	7.40	40.20	70	28.14	86.
87. Lynn, Mass.	102,320	140,544,460	89	11	Jan. 1	Nov. 1	22.75	9.16	1.41	1.48	34.80	100	34.80	87.
88. Evansville, Ind.	102,249	117,738,360	68	32	Jan. 1	May 2 Nov. 7	11.30	10.00	10.20	1.50	33.00	100	33.00	88.
89. Utica, N. Y.	101,740	137,253,323	100	—	Jan. 1	June 1 Oct. 1	22.00	8.86	8.64	—	39.50	65	25.68	89.
90. Duluth, Minn.[10]	101,463	77,895,031	79	21	Jan. 1	Jan. 1	9.71	12.23	5.29	2.95	30.18A	100	30.18	90.
91. Tampa, Fla.	101,161	(Not reporting)												91.
92. Gary, Ind.	100,426	178,196,820	70	30	Jan. 1	May 2 Nov. 7	9.40	14.40	9.10	2.90	35.80	70	25.06	92.
93. Lowell, Mass.[22]	100,234	127,019,056	87	13	Jan. 1	Oct. 15	30.24	—	1.83	1.13	33.20	100	33.20	93.
GROUP IV Population 50,000 to 100,000														
94. Waterbury, Conn.	99,902	172,070,800	77	23	Jan. 1	May 1 Nov. 1	22.34	10.65	.41	.60	34.00	80	27.20	94.
95. Shenectady, N. Y.	95,692	203,712,655	100	—	Jan. 1	Jan. July	14.84	9.88	3.82	.18	28.72	100	28.72	95.
96. Sacramento, Calif.	93,750	106,505,010	90	10	Jan. 1	Nov. 1	20.50	22.32	12.68	N	55.50	72	39.96	96.
97. Allentown, Pa.	92,563	105,000,000	100	—	Jan. 4	Mar. 1	12.40	14.00	4.00	N .	30.40	50	15.20	97.
98. Bayonne, N. J.	88,979	171,031,384	78	22	Jan. 1	June 1 Dec. 1	32.90	10.91	8.48	3.77	56.06	67	37.38	98.
99. Wilkes-Barre, Pa.	86,628	101,000,000	95	5	Jan. 4	Apr. 1	15.40	16.00	13.30	N	44.70	60	26.82	99.
100. Rockford, Ill.	85,864	(Not reporting)												100.
101. Lawrence, Mass.	85,068	109,092,275	—	—	Jan. 1	Oct. 1	24.58	9.20	1.41	1.61	36.80	80	29.44	101.
102. Savannah, Ga.	85,024	72,000,000	—	—	Jan. 1	Feb. May Aug. Nov.	23.00	10.00	12.50	5.00	50.50	50	25.25	102.
103. Charlotte, N. C.	82,675	(Not reporting)												103.
104. Berkeley, Calif.	82,109	86,360,595	94	6	July 1	Nov. 2 Jan. 20	11.41	18.34	21.75	N	51.50	55	28.33	104.
105. Altoona, Pa.	82,054	86,823,590	100	—	Jan. 4	Mar. 1	8.50	14.00	5.10	N	27.60	60	16.56	105.
106. Little Rock, Ark.[26]	81,679	57,031,864	83	17	Jan. 1	Jan. 18	4.12	9.00	5.75	4.35	23.22A	67	15.48	106.
107. St. Joseph, Mo.	80,935	73,507,190	73	27	Apr. 15	May 1	12.50	12.25	6.45	1.50	32.70	65	21.26	107.
108. Saginaw, Mich.	80,715	93,932,308	85	15	July 1	July 1	17.55	12.47	8.67	4.09	42.78	100	42.78	108.
109. Harrisburg, Pa.	80,339	90,464,480	100	—	Jan. 4	Mar. 1	16.00	18.00	6.00	—	40.00	55	22.00	109.
110. Sioux City, Ia.[21]	79,183	103,618,460	84	16	Jan. 1	Jan. 1	11.43	15.70	4.62	2.25	34.00A	100	34.00	110.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City		Census 1930	Assessed Valuation	Per Cent		City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
				Realty	Personalty			City	School	County	State	Total			
	GROUP IV—Continued														
111.	Lansing, Mich.	78,397	$122,256,801	84	16	May 1	July 18	$13.00	$8.02	$3.12	$3.90	$28.04	70	$19.63	111.
112.	Pawtucket, R. I.	77,149	135,836,620	79	21	Jan. 1	Oct. 1	17.03	5.60	N	.87	23.50	100	23.50	112.
113.	Manchester, N. H.	76,834	96,109,140	77	23	Apr. 1	Apr. 1	15.35	7.55	3.01	2.84	28.75	100	28.75	113.
114.	Binghamton, N. Y.	76,662	114,772,288	99	1	Jan. 1	Jan. July	14.65	11.63	8.62	—	34.90	88	30.71	114.
115.	Shreveport, La.	76,655	108,308,480	75	25	Jan. 1	Nov. 10	12.75	7.75	6.75	5.75	33.00	67	22.00	115.
116.	Pasadena, Calif.[27]	76,086	155,252,700	89	11	July 1	Oct. 10	11.80	14.67	6.80	N	33.27	75	25.08	116.
117.	Lincoln, Nebr.	75,933	107,750,467	79	21	Sept. 1	Oct. 1	8.50	15.00	2.85	2.37	28.72	80	22.98	117.
118.	Huntington, W. Va.	75,572	98,614,701	88	12	July 1	Oct. 1 Apr. 1	7.21	12.10	3.28	1.90	24.49	100	24.49	118.
119.	Niagara Falls, N. Y.	75,460	146,652,215	100	—	Jan. 1	June Nov.	10.14	9.98	8.56	—	28.68	100	28.68	119.
120.	Winston-Salem, N. C.	75,274	(Not reporting)												120.
121.	East St. Louis, Ill.	74,347	(Not reporting)												121.
122.	Troy, N. Y.	72,763	74,540,042	100	—	Jan. 1	Jan. July	27.22	8.81	12.39	—	48.42	79	38.25	122.
123.	Quincy, Mass.	71,983	129,122,250	91	9	Jan. 1	Nov. 1	19.22	7.24	.89	2.45	29.80	100	29.80	123.
124.	Springfield, Ill.	71,864	59,474,646	73	27	Mar. 1	Dec. 1	19.80	16.25	6.10	3.90	46.05	40	18.42	124.
125.	Portland, Me.	70,810	111,067,525	80	20	Jan. 1	Oct. 1	17.01*	6.62*	1.91	8.06	33.60	100	33.60	125.
126.	Lakewood, Ohio	70,509	126,174,370	92	8	Jan. 1	Dec. 20 June 20	7.17	12.50	5.43	.20	25.30	80	20.24	126.
127.	Roanoke, Va.	69,206	70,574,461	86	14	Jan. 1	Nov. 1	17.50	7.50*	N	N	25.00	60	15.00	127.
128.	Springfield, Ohio	68,743	94,489,460	75	25	Jan. 1	June Dec.	6.85	8.70	2.95	.20	18.70	80	14.96	128.
129.	Mobile, Ala.[18]	68,202	65,794,032	70	30	Oct. 1	Dec. 1	4.50	5.40	7.50	3.90	21.30A	100	21.30	129.
130.	New Britain, Conn.	68,128	115,814,745	84	16	Apr. 1	May 15 Sept. 15	12.54	12.39	.42	.65	26.00	100	26.00	130.
131.	East Orange, N. J.[12]	68,020	131,409,184	91	9	Jan. 1	June 1 Dec. 1	15.36	8.08	5.90	3.86	33.20	70	23.24	131.
132.	Racine, Wis.	67,542	109,664,015	90	10	Jan. 1	Jan. 1	10.00	11.38	4.34	—	25.72	72	18.52	132.
133.	Johnstown, Pa.	66,993	84,735,000	93	7	Jan. 4	Mar. 1	14.00	16.00	8.00	N	38.00	60	22.80	133.
134.	Cicero, Ill.[28]	66,602	61,202,984	84	16	Jan. 1		21.90	29.40	6.50	3.90	61.70	37	22.83	134.
135.	Atlantic City, N. J.[12]	66,198	251,536,449	94	6	Jan. 1	June 1 Dec. 1	16.29	3.96	4.95	4.00	29.20	100	29.20	135.
136.	Montgomery, Ala.	66,079	(Not reporting)												136.
137.	Newton, Mass.	65,276	165,238,700	90	10	Jan. 1	Oct. 15	7.52	11.16	3.32	3.00	25.00	100	25.00	137.
138.	Covington, Ky.	65,252	58,302,272	91	9	July 1	June Oct.	13.80	11.00	6.20	3.00	34.00	70	23.80	138.
139.	Pontiac, Mich.	64,928	78,437,337	81	19	Jan. 1	July 1	16.58	12.77	8.44	5.07	42.86	100	42.86	139.
140.	Hammond, Ind.	64,560	(Not reporting)												140.
141.	Topeka, Kans.[29]	64,120	84,844,566	72	28	Jan. 1	Nov. 1	14.99	16.91	4.41	1.99	38.30	60	22.98	141.
142.	Oak Park, Ill.	63,982	(Not reporting)												142.
143.	Brockton, Mass.	63,797	78,983,025	88	12	Dec. 1	Oct. 15	25.91	8.46	1.66	.77	36.80	80	29.44	143.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment: City	School	County	State	Total	Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
GROUP IV—Continued														
144. Evanston, Ill.	63,338	(Not reporting)												144.
145. Passaic, N. J.[12]	62,959	$ 98,204,959	86	14	Jan. 1	June 1 Dec. 1	$24.54	$10.59	$6.60	$3.97	$45.70	67	$30.47	145.
146. Terre Haute, Ind.	62,810	(Not reporting)												146.
147. Glendale, Calif.	62,736	66,847,900	86	14	July 1	Nov. 1 Jan. 20	13.50	21.10	9.80	N	44.40	50	22.20	147.
148. Charleston, S. C.	62,265	(Not reporting)												148.
149. Wheeling, V. Va.	61,659	92,285,595	79	21	July 1	Nov. 1 May 1	9.25	11.69	5.00	1.90	27.84	75	20.88	149.
150. Mount Vernon, N. Y.	61,499	170,006,359	100	—	Jan. 1	Jan. 1 July 1	13.33	11.95	4.23	.19	29.70	90	26.73	150.
151. Davenport, Ia.[21]	60,751	66,043,800	90	10	Apr. 1	Sept. 1	12.50	13.93	5.55	2.25	34.23A	60	20.54	151.
152. Charleston, W. Va.	60,408	88,031,813	89	11	July 1	Nov. 1 May 1	6.10	13.50	5.25	——	24.85	75	18.64	152.
153. Augusta, Ga.	60,342	(Incomplete report)												153.
154. Lancaster, Pa.	59,949	108,639,810	100	—	Jan. 4	Mar. 1	5.00	9.50	1.00	N	15.50	100	15.50	154.
155. Medford, Mass.	59,714	(Not reporting)												155.
156. Hoboken, N. J.[12] [22]	59,261	101,898,826	91	9	Jan. 1	June 1 Dec. 1	35.63	——	9.03	4.01	48.67	90	43.80	156.
157. Chester, Pa.	59,164	71,006,232	100	—	Jan. 4	Mar. 1	11.50	11.00	4.28	N	26.78	70	18.75	157.
158. Union City, N. J.[12] [22]	58,659	71,193,612	95	5	Jan. 1	June 1 Dec. 1	35.30	——	8.63	3.83	47.76	75	35.82	158.
159. Malden, Mass.	58,036	72,071,200	90	10	Apr. 1	Oct. 15	23.89*	9.50	5.21	——	38.60	100	38.60	159.
160. Madison, Wis.	57,899	146,257,700	92	8	Jan. 1	Jan. 1	10.04	9.26	3.91	.29	23.50	90	21.15	160.
161. Bethlehem, Pa.	57,892	73,048,226	92	8	Jan. 4	Mar. 1	12.00	12.50*	7.00	N	31.50	90	28.35	161.
162. Beaumont, Texas	57,732	68,522,470	83	17	July 1	Nov. 1	17.70	9.30	7.40	10.20	44.60	60	26.76	162.
163. San Jose, Calif.	57,651	48,158,160	89	11	Dec. 1	Oct.	15.30	29.58	12.12	N	57.00	40	22.80	163.
164. Springfield, Mo.	57,527	40,053,000	75	25	July 1	Sept. 1	13.80	15.40	4.90	1.50	35.60	70	24.92	164.
165. Decatur, Ill.	57,510	(Not reporting)												165.
166. Irvington, N. J.	56,733	76,458,947	93	7	Jan. 1	June 1 Dec. 1	14.10	13.85	5.99	3.86	37.80	100	37.80	166.
167. Holyoke, Mass.	56,537	(Not reporting)												167.
168. Hamtramck, Mich.	56,268	77,178,945	73	27	July 1	July 15 Aug. 20	18.50	9.50	4.44	3.59	36.03	100	36.03	168.
169. Cedar Rapids, Ia.	56,097	76,603,884	79	21	Apr. 1	Jan. 1 Apr. 1	12.40	17.43	6.87	2.25	38.95A	60	23.37	169.
170. York, Pa.	55,254	56,768,245	98	2	Jan. 4	Mar. 1	9.50	16.00	8.00	N	33.50	60	20.10	170.
171. Jackson, Mih.	55,187	84,925,695	88	12	July 1	July 1	9.92	9.90	8.21	4.01	32.04	75	24.03	171.
172. Kalamazoo, Mich.	54,786	78,864,940	79	21	Jan. 1	July 1	11.40	14.74	4.45	4.00	34.59	90	31.13	172.
173. East Chicago, Ind.	54,784	(Not reporting)												173.
174. McKeesport, Pa.	54,632	54,764,725	99	1	Jan. 5	Mar. 1 Apr. 1	13.00	16.50	11.38	N	40.88	55	22.48	174.
175. New Rochelle, N. Y.	54,000	200,014,733	100	—	Jan. 1	Sept. 1	17.06	8.37	4.31	.19	29.93	100	29.93	175.
176. Macon, Ga.	53,829	40,498,307	83	17	Jan. 1	Apr. 15 Aug. 15 Dec. 15	15.00	8.74	9.26	5.00	38.00	75	28.50	176.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment: City	School	County	State	Total	Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
GROUP IV—Continued														
177. Greensboro, N. C.	53,659	$105,000,000	85	15	July 1	Sept. 1	$ 9.00	$ 3.00	$6.67	N	$18.67	80	$14.94	177.
178. Austin, Texas	53,120	54,320,435	79	21	Jan. 1	Jan. 1	16.50	6.00	9.00	$7.40	38.90	67	25.93	178.
179. Highland Park, Mich.	52,929	91,406,650	83	17	July 1	July 1	12.60	12.00	3.98	3.54	32.12	80	25.70	179.
180. Galveston, Texas	52,938	59,783,380	80	20	July 1	Sept. 1 Dec. 31	18.40	5.00	10.00	6.90	40.30	60	24.18	180.
181. Waco, Texas	52,848	52,256,700	80	20	Oct. 1	Oct. 1	17.50	6.60	7.20	6.90	38.20	63	23.88	181.
182. Fresno, Calif.	52,513	49,238,350	87	13	July 1	Oct. Jan.	23.79	24.35	11.75	N	59.89	50	29.94	182.
183. Hamilton, Ohio	52,176	70,222,160	100	—	Jan. 1	Dec. 20 June 20	8.58	9.39	3.36	.40	21.73	80	17.38	183.
184. Durham, N. C.	52.037	(Not reporting)												184.
185. Columbia, S. C.[30]	51,581	20,759,680	75	25	Jan. 1	Oct. 15	13.86	——	21.00	——	34.86A	52	18.13	185.
186. Cleveland Heights, Ohio	50,945	160,424,530	86	14	Jan. 1	June Dec.	5.72	13.95	5.43	.20	25.30	80	20.24	186.
187. Port Arthur, Texas	50,902	28,205,100	—	—	Jan. 1	Dec. 1 June 1	18.00	6.50	6.20	6.90	37.60	75	28.20	187.
188. Dearborn, Mich.	50,358	200,765,839	64	36	July 1	July 15	12.07	9.67	4.12	3.43	29.29	100	29.29	188.
189. Kenosha, Wis.	50,262	72,873,410	90	10	Jan. 1	Jan. 1	9.08	14.83	4.54	.55	29.00	67	19.33	189.
190. Asheville, N. C.	50,193	100,300,000	91	9	July 1	Oct. 3	8.70	4.55	5.20	1.70	20.15	100	20.15	190.
191. Pueblo, Colo.	50,096	37,251,154	70	30	Jan. 1	Mar. 1 Aug. 1	24.00	14.95	9.19	3.49	51.63	70	36.14	191.
GROUP V														
Population 30,000 to 50,000														
192. Pittsfield, Mass.	49,677	59,990,685	90	10	Jan. 1	Oct. 15	24.52	9.28	2.65	1.55	38.00	70	26.60	192.
193. Woonsocket, R. I.[22]	49,376	85,187,400	81	19	Jan. 1	Oct. 10	23.93	——	——	1.07	25.00	100	25.00	193.
194. Haverhill, Mass.	48,710	61,427,225	88	12	Jan. 1	Sept. 15	21.29	7.15	1.24	.92	30.60	100	30.60	194.
195. New Castle, Pa.	48,674	57,369,000	95	5	Jan. 4	July 1	11.00	16.00	7.55	N	34.55	67	23.03	195.
196. Everett, Mass.	48,424	75,800,000	83	17	Jan. 1	Oct. 15	22.49	11.09	1.56	5.26	40.40	75	30.30	196.
197. Jackson, Miss.	48,282	(Not reporting)												197.
198. Phoenix, Ariz.[31]	48,118	65,000,000	92	8	July 1	Oct. 10 Mar. 7	14.20	6.70	20.30	12.00	53.20	80	42.56	198.
199. Stockton, Calif.	47,963	(Incomplete report)												199.
200. Brookline, Mass.	47,490	171,892,700	91	9	June 1	Oct. 15	12.78	4.48	1.80	1.34	20.40	100	20.40	200.
201. Elmira, N. Y.	47,397	52,005,876	99	1	Jan. 1	July 1	21.61	10.13	13.34	——	45.08	62	27.95	201.
202. Bay City, Mich.	47,355	41,322,311	85	15	July 1	Aug. 1	12.95	12.58	8.67	3.44	37.64	70	25.34	202.
203. Berwyn, Ill.	47,027	34,056,677	—	—	Jan. 1	Apr. 1	20.00	30.45	6.50	3.90	60.85	37	22.51	203.
204. Clifton, N. J.	46,875	47,974,300	93	7	Jan. 1	June 1 Dec. 1	13.36	18.63	6.94	4.17	43.10	100	43.10	204.
205. Aurora, Ill.	46,589	37,447,601	73	27	Jan. 1	Feb. 1	19.30	21.90	8.50	3.90	53.60	37	19.83	205.
206. Muncie, Ill.	46,548	(Not reporting)												206.
207. Stamford, Conn.	46,346	(Incomplete report)												207.
208. Waterloo, Ia.	46,191	(Not reporting)												208.
209. Chelsea, Mass.	45,816	53,003,900	90	10	Jan. 1	Oct. 15	28.29	8.61	——	4.10	41.00	100	41.00	209.
210. Lexington, Ky.	45,736	61,680,103	76	24	Jan. 1	Apr. 1	17.00	8.00	5.00	3.00	33.00	80	26.40	210.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent		City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP V—Continued														
211. Williamsport, Pa.	45,729	$ 39,425,745	100	—	Jan. 4	Apr. 1	$14.75	$17.50	$8.50	N	$40.75	70	$28.53	211.
212. Portsmouth, Va.[22]	45,704	33,603,809	96	4	Jan. 1	Nov.	26.50	—	N	N	26.50	70	18.55	212.
213. Jamestown, N. Y.	45,155	65,372,919	100	—	Jan. 1	July 1	13.86	11.25	7.38	—	32.49	90	29.24	213.
214. Lorain, Ohio	44,512	66,493,480	100	—	Jan. 1	Jan. 20 June 20	8.93	7.91	3.71	$2.85	23.40	85	19.89	214.
215. Chicopee, Mass.	43,930	45,839,470	86	14	Dec. 1	Oct. 1	24.41	15.22*	1.72	1.45	42.80	80	34.24	215.
216. Wichita Falls, Texas	43,690	46,759,390	74	26	Apr. 1	Oct. 1	14.00	10.00	16.50	7.40	47.90	59	28.29	216.
217. Battle Creek, Mich.	43,573	62,291,250	83	17	Apr. 1	July 10	10.00	13.60	7.40	4.60	35.60	100	35.60	217.
218. Perth Amboy, N. J.	43,516	52,350,053	87	13	Jan. 1	Apr. 1	21.39	13.10	9.31	3.90	47.70	50	23.85	218.
219. Salem, Mass.	43,353	58,831,210	83	17	Jan. 1	Sept. 1	21.08	8.60	1.33	1.39	32.40	100	32.40	219.
220. Amarillo, Texas	43,132	63,640,330	82	18	Apr. 16	Jan. 31	10.00	11.00	5.90	—	26.90	75	20.18	220.
221. Columbus, Ga.	43,131	43,042,951	70	30	Jan. 1	Aug. 1	12.00	6.00	8.50	5.00	31.50	67	21.00	221.
222. Joliet, Ill.	42,993	24,472,339	78	22	Jan. 1	May 1	13.30	31.25	16.10	3.90	64.55	30	19.37	222.
223. Cranston, R. I.	42,911	69,503,205	80	20	Oct. 1	Nov. 21	9.70	12.32	—	.98	23.00	100	23.00	223.
224. Portsmouth, Ohio	42,560	(Not reporting)												224.
225. Lima, Ohio	42,287	55,703,920	89	11	Jan. 1	Dec. 20 June 20	10.39	9.30	4.11	.20	24.00	100	24.00	225.
226. Council Bluffs, Ia.	42,048	30,706,536	94	6	Apr. 1	Mar. Sept.	21.73	24.25	5.67	2.25	53.90A	50	26.95	226.
227. Montclair, N. J.	42,017	113,321,574	92	8	Jan. 1	June 1 Dec. 1	14.30	9.04	5.99	3.87	33.20	100	33.20	227.
228. Dubuque, Ia.[21]	41,679	40,769,204	75	25	Apr. 1	Jan. 1	16.20	14.40	6.65	2.25	39.50	60	23.70	228.
229. Muskegon, Mich.	41,390	67,911,196	78	22	Jan. 1	Dec. 1	12.06	13.19	7.95	3.23	36.43	100	36.43	229.
230. Warren, Ohio	41,062	56,930,480	100	—	Jan. 1	June 20 Dec. 20	7.39	8.08	4.68	2.85	23.00	67	15.34	230.
231. Kearny, N. J.	40,716	77,212,330	88	12	Jan. 1	June 1 Dec. 1	15.07	8.23	10.04	4.43	37.77	60	22.66	231.
232. Fitchburg, Mass.	40,692	(Not reporting)												232.
233. Lynchburg, Va.	40,661	46,500,000	92	8	Jan. 1	Sept. 15 Oct. 1	13.00	9.50	N	N	22.50	70	15.75	233.
234. St. Petersburg, Fla.	40,425	127,552,727	81	19	Oct. 1	Oct. 1	16.26	29.50	27.50	4.88	78.14	36	28.13	234.
235. Poughkeepsie, N. Y.	40,288	(Not reporting)												235.
236. Ogden, Utah	40,272	(Not reporting)												236.
237. Oshkosh, Wis.	40,108	58,090,685	88	12	Jan. 1	Jan. 1	9.11	9.77	3.12	N	22.00	90	19.80	237.
238. Anderson, Ind.	39,804	(Not reporting)												238.
239. East Cleveland, Ohio	39,667	73,725,890	100	—	Jan. 1	Dec. 20 June 20	8.02	15.15	5.63	.20	29.00	85	24.65	239.
240. LaCrosse, Wis.	39,614	49,104,929	87	13	Jan. 1	Jan. 1	9.32	12.00	6.68	N	28.00	85	23.80	240.
241. Butte, Mont.	39,532	(Not reporting)												241.
242. Sheboygan, Wis.	39,251	49,400,100	88	12	Jan. 1	Jan. 1	14.79	8.74	5.52	N	29.05	70	20.34	242.
243. Waltham, Mass.[23]	39,247	59,342,350	86	14	Feb. 1	Nov. 1	34.60	—	—	—	34.60	100	34.60	243.
244. Quincy, Ill.	39,241	(Not reporting)												244.
245. Meriden, Conn.	38,481	(Not reporting)												245.

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			Realty	Personalty			City	School	County	State	Total			
GROUP V—Continued														
246. Bloomfield, N. J.	38,077	$ 69,760,789	90	10	Jan. 1	June 1 Dec. 1	$15.60	$11.90	$5.90	$1.10	$34.50	100	$34.50	246.
247. Rock Island, Ill.	37,953	23,751,247	86	14	Apr. 1	Mar. Sept.	18.80	20.00	5.90	3.90	48.60	33	16.20	247.
248. Cumberland, Md.	37,747	(Incomplete report)												248.
249. San Bernardino, Calif.	37,481	17,509,090	90	10	July 1	Dec. 5 Apr. 20	18.00	21.00	29.40	N	68.40	33	22.80	249.
250. Green Bay, Wis.	37,415	58,095,645	88	12	Jan. 1	Dec.	13.84	10.36	6.80	N	31.00	90	27.90	250.
251. Raleigh, N. C.	37,379	(Not reporting)												251.
252. Taunton, Mass.	37,355	(Not reporting)												252.
253. Santa Monica, Calif.	37,146	43,791,620	—	—	July 1	Nov. 1	17.20	20.60	10.20	N	48.00	50	24.00	253.
254. West New York, N. J.	37,107	51,741,766	98	2	Jan. 1	June 1 Dec. 1	20.76	16.02	8.79	3.94	49.51	65	32.18	254.
255. Hazleton, Pa.	36,765	29,138,538	92	8	Jan. 4	Apr. 30	14.00	24.00	12.30	N	50.30	50	25.15	255.
256. Danville, Ill.	36,765	28,091,956	75	25	——	——	11.70	10.87	9.30	3.90	35.77	50	17.89	256.
257. High Point, N. C.	36,745	(Incomplete report)												257.
258. Auburn, N. C.	36,652	(Not reporting)												258.
259. Zanesville, Ohio	36,440	(Not reporting)												259.
260. Superior, Wis.	36,113	(Not reporting)												260.
261. Arlington, Mass.	36,094	62,910,250	94	6	Jan. 1	Nov. 1	15.50	12.16	1.52	1.22	30.40	95	28.88	261.
262. Norwalk, Conn.	36,019	(Not reporting)												262.
263. Elgin, Ill.	35,929	(Not reporting)												263.
264. Norristown, Pa.	35,853	25,820,155	92	8	Jan. 1	June 6	15.00	19.50	3.00	N	37.50	35	13.13	264.
265. White Plains, N. Y.	35,830	176,818,880	100	—	Jan. 1	Jan. 1 July 1	10.05	8.46	4.24	.14	22.89	100	22.89	265.
266. Revere, Mass.[22]	35,680	42,363,340	94	6	Jan. 1	Oct. 15	39.60	——	——	——	39.60	80	31.68	266.
267. Steubenville, Ohio	35,422	69,742,710	82	18	Jan. 1	Dec. 20 June 20	5.30	6.80	4.45	2.85	19.40	80	15.52	267.
268. Orange, N. J.	35,339	49,329,454	93	7	Jan. 1	June 1 Dec. 1	18.88	10.18	5.90	3.83	38.80	85	32.98	268.
269. Alameda, Calif.	35,033	(Incomplete report)												269.
270. Lewiston, Me.	34,948	34,273,989	87	13	Mar. 1	Aug. 20	24.38	4.87	1.95	7.80	39.00	60	23.40	270.
271. Watertown, Mass.	34,913	55,454,875	92	8	Jan. 1	Oct. 15	25.74	8.07	1.33	3.86	39.00	100	39.00	271.
272. Amsterdam, N. Y.	34,817	31,699,390	96	4	Jan. 1	Mar. 1	20.76	19.85	11.55	——	52.16	55	28.69	272.
273. West Allis, Wis.	34,671	50,515,425	85	15	Jan. 1	Jan. 1	6.79	16.69	10.02	N	33.50	67	22.33	273.
274. New Brunswick, N. J.	34,555	43,362,400	86	14	Jan. 1	June Dec.	21.70	10.40	9.30	4.00	45.40	75	34.05	274.
275. Easton, Pa.	34,468	44,920,967	100	—	Jan. 1	Jan. July	13.50	15.00	4.47	N	32.97	75	24.73	275.
276. Plainfield, N. J.	34,422	63,304,180	90	10	Jan. 1	June 1 Dec. 1	16.00	10.90	6.50	3.90	37.30	65	24.25	276.
277. Newport News, Va.	34,417	(Not reporting)												277.
278. Santa Barbara, Calif.	33,613	48,767,010	89	11	July 1	Nov. 1 Jan. 20	14.80	11.35	8.78	N	34.93	67	23.28	278.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent		City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP V—Continued														
279. Paducah, Ky.	33,541	$ 19,154,958	87	13	Jan. 1	June 1 Oct. 1	$15.00	$ 9.90	$7.00	$3.00	$34.90	60	$20.94	279.
280. Mansfield, Ohio	33,525	52,212,590	85	15	Jan. 1	June 20 Dec. 20	6.40	10.05	4.75	.20	21.40	100	21.40	280.
281. Waukegan, Ill.	33,499	21,290,496	—	—	May 1	Feb. 1 Aug. 1	19.00	35.80	10.90	3.90	69.60	25	17.40	281.
282. Norwood, Ohio	33,411	67,381,306	—	—	Jan. 1	June 20 Dec. 20	6.28	8.16	3.36	.20	18.00	80	14.40	282.
283. Sioux Falls, S. Dak.	33,362	45,999,137	76	24	Jan. 1	Apr. 30 Oct. 31	10.65	14.22	3.80	3.37	32.04	70	22.43	283.
284, Colorado Springs, Colo.	33,237	39,857,560	—	—	Jan. 1	Mar. 1	12.65	15.06	8.47	3.49	39.67	76	30.15	284.
285. Elkhart, Ind.	32,949	40,043,412	—	—	Jan. 1	——	7.90	10.20	8.10	1.50	27.70	80	22.16	285.
286. Kokomo, Ind.	32,843	36,195,660	—	—	Jan. 1	May 1 Nov. 1	10.00	10.75	8.95	2.90	32.60	100	32.60	286.
287. Laredo, Texas	32,618	(Incomplete report)												287.
288. Tucson, Ariz.	32,506	28,727,835	92	8	July 1	May 1 Nov. 1	18.30	6.90	13.80	12.00	51.00	80	40.80	288.
289. Richmond, Ind.	32,493	40,936,170	70	30	Jan. 1	May Nov.	9.85	12.80	8.45	2.90	34.00	65	22.10	289.
290. Rome, N. Y.	32,338	25,130,822	97	3	Jan. 1	Apr. Oct.	12.78	12.17	13.13	——	38.08	68	25.89	290.
291. Wilmington, N. C.	32,270	41,858,886	81	19	July 1	Oct. 1	12.00	3.79	4.64	1.57	22.00	82	18.04	291.
292. Moline, Ill.	32,236	24,839,133	77	23	Apr. 1	May Aug.	13.80	26.30	10.30	3.90	54.30	33	18.10	292.
293. Watertown, N. Y.	32,205	47,311,147	100	—	July 1	July 1	13.10	10.40	9.60	——	33.10	87	28.80	293.
294. Muskogee, Okla.	32,026	(Not reporting)												294.
295. Meridian, Miss.	31,954	(Not reporting)												295.
296. Pensacola, Fla.	31,579	21,965,158	88	12	Nov. 1	Jan. 1	25.00	15.50	22.00	4.87	67.37	81	54.57	296.
297. Nashua, N. H.[22]	31,463	39,059,870	82	18	Jan. 1	Dec. 1	29.80	——	——	——	29.80	100	29.80	297.
298. Fort Smith, Ark.	31,429	(Not reporting)												298.
299. Port Huron, Mich.	31,361	35,891,490	87	13	May 1	July 1	12.78	14.42	9.36	3.76	40.32	100	40.32	299.
300. Newburgh, N. Y.	31,275	41,312,200	100	—	Jan. 1	Mar. 15 Apr. 15	13.40	7.50	12.00	——	32.90	83	27.31	300.
301. Marion, Ohio	31,084	34,236,970	100	—	Jan. 1	June Dec.	10.60	8.52	6.08	.20	25.30	100	25.30	301.
302. Bloomington, Ill.	30,930	(Not reporting)												302.
303. Hagerstown, Md.	30,861	39,043,548	85	15	June 1	Jan. 1	10.00	7.75	4.25	2.50	24.50	100	24.50	303.
304. Bellingham, Wash.	30,823	13,942,000	73	27	Jan. 1	Mar. 15 May 30 Nov. 30	13.69	7.00	9.68	6.12	36.49	82	29.92	304.
305. Baton Rouge, La.	30,729	(Not reporting)												305.
306. Newark, Ohio	30,596	34,897,970	100	—	Jan. 1	Dec. June	7.99	10.45	3.26	.20	21.91	80	17.53	306.
307. Everett, Wash.	30,567	15,575,619	78	22	Jan. 1	Feb. 1	14.65	7.75	11.60	6.10	40.10	90	36.09	307.

COMPARATIVE TAX RATES OF 277 CITIES FOR 1932 (Continued)

City	Census 1930	Assessed Valuation	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date of Collection of City Tax	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100% Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (per cent)	Adjusted Rate	No.
							City	School	County	State	Total			
GROUP V—Continued														
308. Santa Ana, Calif.	30,322	$ 19,837,500	90	20	July 1	Dec. Apr.	$19.20	$17.30	$15.50	N	$52.00	33	$17.33	308.
309. Alton, Ill.	30,151	17,600,000	67	33	Apr. 1	Jan. 1 July 1	16.10	21.50	4.70	3.90	46.20	37	17.09	309.
Canadian Cities														
1. Montreal, Que.[32]	818,577	983,029,413	100	—	Jan. 1	Oct. 1	14.75	12.00		—	26.75	100	26.75	1.
2. Toronto, Ont.[33]	626,674	1,061,652,753	100	—	Jan. 1	May 6 July 6 Sept. 9	23.60	10.30		N	33.90	75	25.43	2.
3. Vancouver, B. C.[34]	246,593	374,524,630	100	—	Jan. 1	Aug. 3	24.01	7.85		N	31.86A	100	31.86	3.
4. Winnepeg, Man.	218,785	(Not reporting)												4.
5. Hamilton, Ont.[35]	153,507	171,690,040	100	—	Jan. 1	June 1 Sept. 1	22.30	14.70		N	37.00	100	37.00	5.
6. Quebec, Que.[36]	130,594	120,282,142	100	—	May 1	Nov. 1	23.95	9.50		N	33.45	80	26.76	6.
7. Ottawa, Ont.[37]	126,872	159,631,543	100	—	Jan. 1	June 18 Nov. 18	23.70	11.30		N	35.00	67	23.33	7.
8. Calgary, Alta.[38]	83,761	65,096,673	100	—	Jan. 1	June 20	19.25	14.95		—	34.20A	100	34.20	8.
9. Edmonton, Alta.[39]	79,197	65,975,945	100	—	Jan. 1	June 3 Aug. 3 Oct. 3 Dec. 3	22.31	17.42		—	39.73A	100	39.73	9.
10. London, Ont.[40]	71,148	87,553,831	100	—	Jan. 1	June 18 Aug. 18 Oct. 18	22.54	14.21		N	36.75	70	25.73	10.
11. Windsor, Ont.[41]	63,108	89,215,500	100	—	Jan. 1	May 1	23.18	13.82		N	37.00	100	37.00	11.
12. Halifax, N. S.[42]	59,275	59,942,925	100	—	May 1	May 1 Sept. 1	21.70	11.30		1.00	34.00	80	27.20	12.
13. Regina, Sask.[43]	53,209	46,387,655	100	—	Jan. 1	June 30 Dec. 31	14.84	10.38		1.05	25.67A	100	25.67	13.
14. St. John, N. B.[44]	47,514	50,220,000	100	—	Jan. 1	Sept. 7 Oct. 6 Nov. 8	13.00	11.20		9.80	34.00	100	34.00	14.
15. Saskatoon, Sask.[45]	43,291	35,153,698	100	—	Jan. 1	Apr. 30 May 31	12.31	15.05		1.50	28.86A	100	28.86	15.
16. Victoria, B. C.[46]	39,082	56,573,570	100	—	Jan. 1	Aug. 15	22.38	7.51		N	29.88A	100	29.88	16.
17. Three Rivers, Que.	35,450	(Not reporting)												17.

*=Estimate
N=None
A Denotes adjustment to 100 per cent legal basis.

[1] *New York.* The official computation gives a single rate for city, school and county purposes, the separate rates shown being in proportion to appropriations. Varying rates are levied on the several boroughs for local improvements, the rate shown being for Manhattan Borough. The estimated ratio of assessed value to legal basis is based upon the state equalization table.

[2] *Chicago.* The figures given are for 1930 valuation and tax levies, payable in March, 1932. The city rate includes sanitary district and south park district (central business section and greater portion of south side) rates. Rates in other sections are somewhat lower because of variations in park levies.

[3] *Philadelphia.* The city rate includes the cost of county government, which is consolidated with the city. The rates given are on city realty, comprising 95.3 per cent of all realty; suburban realty (4.4 per cent of all realty) is taxed at two-thirds, and farm realty (.3 per cent) at one-half the rate on city realty—except that property in independent poor districts (having local poor rates of 30 to 40 cents per $1,000 valuation) is further relieved from such poor taxes. Money at interest and vehicles to hire, comprising the personalty, are taxed at 4 mills. There is no state tax on property subject to local taxation in Pennsylvania.

[4] *Los Angeles.* City rate includes metropolitan water district, 40 cents. There is no state tax on real estate in California.

[5] *Cleveland.* Realty assessment includes public utilities valuation, for all Ohio cities. Ohio's new classified personal property tax law taxes tangible property (included in assessed valuation reported) at same rate as realty, but only for a percentage of its value. Intangible personalty (valuation not reported) is taxed on either income or valuation at classified rates.

[6] *Baltimore.* There is no county rate. There are four rates of taxation on real property—full, suburban, rural and new annex; all rates at less than full rate are increasing annually to place them on a par with full rate in 1938. Personal property is taxed at classified rates. Personal property of manufacturers is exempt.

[7] *Pittsburgh, Scranton.* The city rate upon improvements is one-half the rate upon land, the weighted average being shown. Machinery is exempt from taxation.

[8] *San Francisco.* Valuation excludes solvent credits, $116,473,420, taxed at one mill, and stocks and bonds, $142,668,481, taxed at two mills.

[9] *Washington.* Appropriations for the District of Columbia are made by Congress, a lump sum of $9,500,000 thereof being paid by the federal treasury. There is a single rate for all purposes, the school rate being estimated. Intangible personalty, $548,597,274, not included in the valuation reported, is taxed at one-half of one per cent. Banks, trust companies and public service corporations are taxed at various rates on earnings or receipts.

[10] *Minneapolis, St. Paul, Duluth.* Minnesota statutes provide for five classes of property, assessed at varying bases of true value: real estate (except unplatted) is assessed at 40 per cent; iron ore at 50 per cent; personalty, in three classes at 10, 25, and 33 1-3 per cent, respectively. The average of all is 39 per cent for Minneapolis and 38 per cent for St. Paul and Duluth; the rates reported are the actual rates adjusted to a uniform 100 per cent basis. Money and credits (not included in valuation reported) are taxed 3 mills. The city rate for Minneapolis includes school debt.

[11] *New Orleans.* The city and school rates reported are the actual rates adjusted to a uniform 100 per cent basis, the legal basis being 85 per cent of actual value.

[12] *Newark, Jersey City, Paterson, Trenton, Camden, Elizabeth, East Orange, Atlantic City, Passaic, Hoboken, Union City.* In New Jersey cities, the state rate includes a school tax, which is returned to the local school districts.

[13] *Kansas City, Missouri.* The valuation reported is for city purposes; this valuation is 83 1-3 per cent of the county valuation.

[14] *Seattle.* The legal basis of assessment in Washington is 50 per cent; the rates reported are the actual rates adjusted to a uniform 100 per cent basis. The city rate includes port, 44 cents (adjusted from 87.5 cents levied.)

[15] *Louisville.* Shares of stock of banks, trust companies and life insurance companies, assessed at $19,283,948 (not included in valuation reported), are taxed $2 for city and $4 for schools. Unmanufactured products, $5,014,408 (not included in valuation reported), are taxed $1.50 for city purposes.

[16] *Portland.* The valuation includes total utility valuations of public service companies assessed by the state, 12.35 per cent; city rate includes dock $2.02, and port, $1.80; school rate includes county school, $2.14, and school levy by state, $2.20, which are returned to the local school districts.

[17] *Atlanta.* There is no separate rate for schools, the charter allotting 26 per cent of revenues to schools; the rate is estimated. Assessment for county and state purposes is 70 per cent of the city valuation.

[18] *Birmingham, Mobile.* The legal basis of assessment in Alabama is 60 per cent; the rates reported are the actual rates adjusted to a uniform 100 per cent basis.

[19] *Providence.* There is no county government in Rhode Island. There is a $4 per $1,000 tax on intangible personalty.

[20] *Richmond.* The cities of Virginia are autonomous, having no county government. There is no state tax on property subject to local taxation. The total rate given is for realty; tangible personalty is taxed $22, and machinery, assessed at $12,962,854 (not included in valuation reported, is taxed $6.

[21] *Des Moines, Sioux City, Davenport, Dubuque.* Taxable values in Iowa are one-quarter of assessed values; the rates reported are the actual rates adjusted to a uniform 100 per cent basis. Money and credits, not included in the valuation reported, are taxed 6 mills.

[22] *Norfolk, Chattanooga, Lowell, Hoboken, Woonsocket, Portsmouth, Waltham, Revere, Nashua.* City rate includes school, not separately reported.

[23] *Spokane.* See note 14, re legal basis of assessment and adjusted rates reported.

[24] *Tacoma.* See note 14, re legal basis of assessment and adjusted rates reported. County rate includes park, $1.00, and port $1.20 (adjusted from levies of $2.00 and $2.40).

[25] *Wilmington.* Valuation reported does not include public utility companies, $2,415,000, taxed $38 for city and $4 for school purposes. There is no state tax.

[26] *Little Rock.* Legal basis of assessment is 50 per cent, and rates reported are actual rates adjusted to a uniform 100 per cent basis.

[27] *Pasadena.* The assessed valuation for school and county purposes is two-thirds that for city purposes, and the rates for the two former are the actual rates adjusted to the city basis.

[28] *Cicero.* The rates reported are for 1930 levy, assessed in 1932.

[29] *Topeka.* Assessed valuation reported excludes intangible personalty, $15,578,500, taxed $5 per $1,000.

[30] *Columbia.* County rate includes school, not separately reported.

[31] *Phoenix.* Improvements are assessed at 60 per cent.

[32] *Montreal.* The Catholic School rate is $7, the Protestant $10, and the neutral school rate $12, the last being reported.

[33] *Toronto.* Realty valuation includes 10.9 per cent business and 7 per cent income. The school rate given is public school; the separate school rate is $14.90.

[34] *Vancouver.* Land is assessed at 100 per cent, and buildings at 50 per cent; the ratio of rateable assessment is 72.7 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis.

[35] *Hamilton.* Realty valuation includes 13.4 per cent business and income.

[36] *Quebec.* City rate includes $5 for water paid by assessed property exempt from other taxes, and $2.85 for improvements.

[37] *Ottawa.* Realty valuation includes 15 per cent business and income.

[38] *Calgary.* Land is assessed at 100 per cent, buildings at 50 per cent; the ratio of rateable assessment is 65.9 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis. Realty valuation includes 2.59 per cent franchises. An additional $2 tax per $1,000 is levied on land only. $30,502,043, for provincial purposes.

[39] *Edmonton.* Land is assessed at 100 per cent and buildings at 60 per cent; the ratio of rateable assessment is 76.4 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis.

[40] *London.* Realty valuation includes 9.4 per cent business and 4.9 per cent income.

[41] *Windsor.* Realty valuation includes 8.5 per cent business and income. The school rate reported is public school; the separate (Catholic) school rate is $16.82.

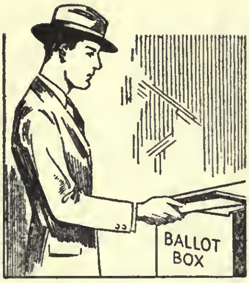
[42] *Halifax.* Realty valuation includes 19 per cent business and income.

[43] *Regina.* Land is assessed at 100 per cent, and buildings at 30 per cent; the ratio of rateable assessments is 55.2 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis. The school rate reported is the public school rate; the separate school rate is $16.52 (adjusted to 100 per cent basis).

[44] *St. John.* Realty valuation includes 41.8 per cent income.

[45] *Saskatoon.* Land is assessed at 100 per cent, and buildings at 45 per cent; the ratio of rateable assessment is 63.5 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis.

[46] *Victoria.* Land is assessed at 100 per cent and buildings at 50 per cent; the ratio of rateable assessment is 72 per cent. The rates reported are the actual rates adjusted to a uniform 100 per cent basis.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

California Defeats P. R. Amendments.—The progress of proportional representation received an unexpected reverse when California voters rejected on November 8th two constitutional amendments to allow cities and counties to use P. R. or any other method of election they might choose. The amendments had been proposed by the state legislature to undo the decision of the California supreme court eleven years ago, which cut short the highly auspicious use of P. R. in Sacramento.

Early reports gave favorable majorities to both amendments, but more complete returns showed that, with a thousand precincts still missing, Senate Amendment 9, relating to cities, was defeated by 606,532 votes to 574,397, and Senate Amendment 8, relating to counties, by 614,140 to 564,849.

Both amendments referred specifically to P. R. in addition to their general grant of home rule. Senate amendment 9, which appeared 19th on the long constitutional amendment ballot, added to Section 8½ of Article XI the following paragraph:

> It shall be competent in such [home rule city or consolidated city and county] charters to provide any mode for the nomination and/or election of the officers of such city or city and county, and to adopt and provide for any system of proportional representation on the legislative body thereof, also the manner of voting under such system.

Senate amendment 8, which appeared 20th and last on the ballot, added the following proviso to the provision of Section 7½ of Article XI that "all elective officers of counties and of townships, of road districts and of highway construction divisions therein shall be nominated and elected in the manner provided by general laws for the nomination and election of such officers":

> provided, however, it shall be competent in such [county home rule] charters to provide any other mode for their nomination and/or election, and to adopt and provide for any system of proportional representation on the legislative or governing body of counties, also the manner of voting under such system.

Why these amendments should have been defeated in a state which has hitherto approved every extension of home rule it is difficult to say. Understanding of P. R. was, of course, far from general, but the amendments had passed both houses of the legislature almost unanimously and little organized opposition to them had developed. The League of California Municipalities, which had been active in their behalf from the beginning, reaffirmed its approval by resolution at this fall's convention and sent a strong statement in their favor to public officials throughout the state. The State Federation of Labor officially recommended their adoption. In San Francisco the Section on Direct Legislation of the Commonwealth Club of California endorsed them after careful study and in Los Angeles the Municipal League gave them active support.

Furthermore the state publicity pamphlet on "Proposed Amendments to Constitution and Proposed Laws," contained strong affirmative arguments signed by the sponsor, Senator George W. Rochester of Los Angeles, and Senators Herbert C. Jones of San José and J. M. Inman of Sacramento, while no argument was submitted by anyone in opposition. The argument for Senate Amendment 9 read in part:

> Cities everywhere have been burdened with "boss rule" and the iniquitous "spoils system," as the result of which millions of dollars of the taxpayers' money have been wasted in extravagance and misgovernment. Why not permit the cities to adopt some other plan of election and representation which would do away with "machine" politics and save the taxpayers vast sums that are now wasted in needless "spoils"?
>
> One of the plans which could be adopted is known as proportional representation. It is a system whereby minority groups receiving a certain number of votes would secure representatives on the legislative body or city council in proportion to the total number of votes cast. Its use would have the effect of arousing more interest in municipal government and encouraging the people to vote because of the fact that under the system every vote cast is effective in the election of one or more candidates. It is being used successfully in a number of our eastern cities and with greater satisfaction to the people. Why not permit its use in California?

In his report to the Section on Direct Legislation of the Commonwealth Club A. J. Pillsbury made an observation worthy of attention by those "practical" people who are inclined to dismiss P. R. from consideration because its advance, though sustained and world-wide, has been at times slow and subject to reverses:

> Proportional representation is something that has to be fought for to be achieved, and has to be fought for to be retained, at least until it becomes well rooted in the minds and customs of a people. It is altruistic. It is an ethical espousal of the "Square Deal" and contravenes long established political methods and practices. . .
>
> Believing as I do that proportional representation is the coming reform in the political world, although its coming will be slow and tedious, I favor clearing the way for its advent from city to city, county to county, and town to town, as the public mind may be made ready to enter upon a new adventure in the backward enterprise of social organization and human government.

*

Another Reichstag Election.—In the dramatic struggle in Germany between democracy and rival would-be autocracies proportional representation continues to play a significant part. The last representative Reichstag was not allowed by President von Hindenburg to function, and the same fate may await this one. Nevertheless, the repeated genuine expressions of popular desires, which the guaranteed representation of all viewpoints encourages, and the accurate translation of these expressions into elected members, have not been without their salutary effects.

In the election of July 31st, as we pointed out in this department in September, the use of P. R. was all that prevented the Hitlerite minority from securing a fictitious Reichstag majority and establishing an extremist government, though supported by less than two-fifths of the electorate. That election appears to have marked the peak of the National Socialist advance. This time the "Nazis" lost some 2,100,000 votes and 35 seats in the Reichstag. Under P. R. this decline in representation followed the decline in votes as a matter of course, since the German law prescribes that each party shall elect one member for each 60,000 of its votes (except for certain limitations affecting the smallest parties only). Under any sort of plurality system, however, such a result would have been by no means assured. The National Socialist party still had the largest vote, though only one-third of the total, and might easily have carried a large majority of the districts under such a plan, for example, as the one used for congressional elections in the United States.

While one dictatorship has thus been checked, it is true at this writing that another is in effect by presidential decree. What will be the final outcome of its struggle with the duly elected representatives of the people no one can with assurance foretell. But meanwhile the use of P. R. has kept alive and fully represented the democratic middle parties which have so far guided the course of post-war Germany away from extreme measures and whose influence will continue to be powerfully exerted for popular government.

The results, as indicated by cable dispatches, were approximately as follows:

Party	Members Elected	
	Nov. 6 1932	July 31 1932
National Socialist	195	230
Nationalist	51	37
People's	11	7
Economic	2	2
Christian Socialist	5	4
Bavarian People's	18	22
Center	70	75
State (formerly Democratic)	2	4
Socialist	121	133
Communist	100	89
Scattering	7	5
	582	608

The total vote was much heavier than had been expected under the discouraging circumstances, being about 80 per cent of the total number of voters qualified. There can be little question that the effectiveness of all votes in securing representation has been a powerful factor in Germany in bringing out the vote.

*

New York City.— The Committee of One Thousand of New York City is working to secure the election in 1933 of a municipal ticket pledged to the "no spoils" system, and ultimately to the revision of the city charter to base the government upon a proportionally elected council which shall control the administrative division of the government through an appointed executive—the manager plan. It believes that the revelations of the Seabury investigation have brought much nearer the realization of its hopes and therefore welcomed the election just held as a means of getting a clue to public opinion. It was necessary for New Yorkers to elect someone to fill the unexpired term of James J. Walker, and though it was a foregone conclusion that the Tammany candidate, Surrogate O'Brien, would win, if for no other reason than because of the expected national political drift, it was felt that the results might be significant.

The vote for Mr. Roosevelt exceeded that for Mr. O'Brien by the impressive number of 399,000; the votes for Mr. Pounds and Mr. Hillquit, the Republican and Socialist candidates respectively, totalled 693,000. But the dramatic feature was that 232,000 voters succeeded in having their votes recorded for Acting Mayor McKee who had publicly deprecated such a gesture. To do this entailed writing his name accurately on a rather inaccessibly placed piece of paper on the voting machine. The average of several independent estimates is that 200,000 voters tried to vote for McKee but failed to do so in such a way as to make themselves effective. This addition to the known votes for anti-Tammany candidates is the basis for the judgment that a majority of those who voted on November 8th in New York City would welcome and support a united leadership against Tammany.

The Committee of One Thousand is now undergoing a complete reorganization to fit itself for the task of serving the purpose which the election shows is growing in the minds of New Yorkers—a municipal house-cleaning if not a rebuilding of the house.—Walter J. Millard.

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P. R. and the Manager Plan in Ashtabula.— The little lakeport of Ashtabula, Ohio, is always of interest to proportionalists because it was Ashtabula which adopted P. R. first among American cities back in 1915 and did much to justify the claims for it during the sixteen years it was in effect.[1] It is heartening to see that, in spite of the vote in 1929 to discontinue P. R., the city's progressive spirit is by no means dead. An attempt to repeal the city manager plan there was defeated on November 8th by 3,477 votes to 2,428.

Both P. R. and the manager plan have operated in Ashtabula from the first under the handicap of a large and tireless opposition which preferred old-fashioned political conditions. In 1920 an amendment to knock out both P. R. and the manager plan was defeated by a close vote. In 1926 separate amendments against P. R. and the manager plan were defeated, but again by a narrow margin. In 1929, when P. R. was finally voted out, the persistent opposition was able to add to its force temporarily a part of the normal army of defense because of the unpopularity of certain minority members of council—all of whom, incidentally, were eliminated at the P. R. election held the same day. The charter opponents have now struck again, but this time were handsomely repulsed. The defense leaders were substantially the same as those who defended P. R. unsuccessfully three years before—except that the one local paper, the *Star-Beacon*, normally in the past a defender of both P. R. and the manager plan, deserted the ranks to help defeat P. R. in 1929 but supported the manager plan this year.

Since the abandonment of P. R. there has been one election of the council under plurality vote at large. Three of the seven P. R. councilmen were reëlected and only one defeated, but the large Italian community was deprived of all representation for the first time in over twenty years. The loss in representative character is indicated by the facts that a single slate, happily a strong one, went through entire with one exception and that a full third of the votes were wasted on losing candidates.

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[1] See "Ashtabula's Ten Year's Trial of P. R.", by Raymond Moley and Charles A. Bloomfield, *National Municipal Review*, November 1926.

RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL *Municipal Administration Service*

Erie County Governments.—Buffalo Municipal Research Bureau, Buffalo, 1932. Four pamphlets, 150 pp.

Oakland County.— Thomas H. Reed and associates, Birmingham, Michigan, 1932. 113 pp. Two interesting surveys of the governments of particular counties have recently been completed; the first, a survey of Erie County (N. Y.) the second, a survey of county and township administration and finance in Oakland County, Michigan. Both reports reveal the tremendous complexity of the government of counties and their subdivisions in the extent to which state statutes and constitutional provisions must be altered before any fundamental reorganization looking to efficiency may be obtained.

Considering the fact that New York and Michigan are widely separated and that their respective forms of local government were derived from somewhat different historical backgrounds, it is interesting to observe that their points of similarity as to local government are far greater than their points of variance. As to the inefficiency of county and township government, the comments in one report would almost fit the other. The authors of the reports are completely in accord as to solution. Both recommend for counties forms of government based upon the principles of the manager plan, and both conclude that county home rule amendments to the state constitution will be necessary before any thoroughgoing reorganization of county government can take place. (Apply to Buffalo Municipal Research Bureau, White Building, Buffalo, N. Y. and Professor Thomas H. Reed, University of Michigan, Ann Arbor, Mich.).

*

Philadelphia's Government.—Philadelphia Bureau of Municipal Research, Philadelphia, 1932. 89 pp. One of the most interesting and timely pieces of research that has crossed the editor's desk in recent months is this survey of Philadelphia's government just completed. The report not only gives a comprehensive chart of the municipal governmental organization, but describes in considerable detail the functions of each governmental department or agency, as well as indicating the importance of each function in terms of expenditures, revenues, number of employees engaged in it, and the amount of work performed. The Bureau is forehanded. As budget-making time draws nigh, many and varied will be the questions arising as to whether this expenditure can be eliminated, as to what would happen if that group of employees were discharged. The questions will find their answers in this publication. (Apply to Philadelphia Bureau of Municipal Research, 311 South Juniper Street, Philadelphia, Pa.).

*

Homemaking, Home Furnishing and Information Services.—The President's Conference on Home Building and Home Ownership, Washington, D. C. 238 pp. This volume contains the reports of three of the committees of the Conference. The first deals with homemaking and the effect of housing on family life. The second, on home furnishing and decoration, stresses the need for educating a public which is unfortunately offered much household furniture and commodities seriously lacking in good design and value. The third describes the services and centers which supply information and advice to those buying, building or managing homes. (Apply to President's Conference on Home Building and Home Ownership, New Commerce Building, Washington, D. C. Price $1.15.)

Housing and the Community.—Home Repair and Remodeling. President's Conference on Home Building and Home Ownership, Washington, D. C., 1932. 291 pp. In the first of the two committee reports included in this volume housing is discussed in its relation to health, delinquency, industrial efficiency, safety, citizenship, recreation and education. In the second the need for home improvements is stressed and suggestions as to how to accomplish them are made. This second report includes a list of some two hundred and fifty questions for the home owner to ask himself about his home needs. (Apply to President's Conference on Home Building and Home Ownership, New Commerce Building, Washington, D. C. Price $1.15.)

*

Status of Municipal Credit.—Investment Bankers Association of America, Chicago, 1932. 9 pp. mimeographed. At a recent meeting of the Investment Bankers Association of America, the Municipal Securities Committee, of which Mr. Henry Hart is chairman, presented this report. After a brief description of the extent of bonded debt and current defaults, some attention is given the activities for protecting municipal credit, the several activities of the federal government in relation to municipals and the more numerous types of state control exercised over the finances of various political subdivisions. (Apply to Samuel O. Rice, Investment Bankers Association of America, 33 South Clark Street, Chicago.)

*

Assessment and Equalization of Taxes in Tennessee.—Frank W. Prescott.—Published by the Author, Chattanooga, 1932. 40 pp. This is a part of a comprehensive study of county fiscal practices in Tennessee being carried on by Dr. Prescott for the Social Science Research Council. After a brief description of sources of county revenue, the assessment practices are discussed and evaluated. Included are various types of real property, personal property, merchants' ad-valorem and privilege taxes. The work of the machinery for equalization and review is also discussed briefly. In conclusion, the changes needed for improving the system are recommended. (Apply to Frank W. Prescott, University of Chattanooga, Chattanooga, Tenn.)

*

Crime Prevention Through Education.—National Education Association, Washington, D. C., 1932. 70 pp. This bulletin was prepared by the Research Division of the N. E. A. to provoke further discussion on the relation of crime and education while pointing out that education does not deserve the responsibility for the present extent of criminality. Special attention is given statistics on crime including the cost of crime and expenditures for education, the causes of crime, the delinquent child and social agencies and crime prevention. Additional value as a reference volume is given by the list of organizations interested in crime prevention, and a selected but comprehensive bibliography. (Apply to National Education Association, 1201 Sixteenth Street, N. W., Washington, D. C. Price 25 cents.)

*

How Cities Collect Delinquent Taxes.—Carl H. Chatters. American Municipal Association, Chicago, 1932. 15 pp., mimeographed. In this timely bulletin Mr. Chatters has described the methods used by a number of cities to collect their delinquent taxes and has pointed out particularly some which have been especially successful. There is also a brief statement of suggested procedure. (Apply to American Municipal Association, Drexel Avenue and 58th Street, Chicago.)

*

The Incidence of Work Shortage.—Margaret H. Hogg. Russell Sage Foundation, New York, 1932. 136 pp. A detailed study of unemployment in sample families in New Haven shows, among other important conclusions, that unskilled work was much less reduced by depression conditions than work of skilled or semi-skilled nature. Nevertheless, unskilled workers have the highest rate of unemployment because of the invasion of their field by the displaced skilled and semi-skilled. Thus are revealed the occupational shifts which usually are not evident in survey material. Innumerable other important facts are presented through both tabular and textual form. (Apply to Russell Sage Foundation, 130 East 22d Street, New York. Price $2.50.)

Austin, Texas. *Report City of Austin, 1931.* By Adam R. Johnson, City Manager. 82 pp.

Ft. Atkinson, Wisconsin. *Annual Report, 1931.* By A. J. Koenig, City Manager. 39 pp.

Kenosha, Wisconsin. *Tenth Annual Report, 1931.* By William E. O'Brien, City Manager. 132 pp.

Staunton, Virginia. *Twenty-fourth Annual Report.* By Willard F. Day, City Manager. 50 pp.

All these reports represent excellent reporting as measured by generally accepted standards. There are, however, many striking points of difference. In length the Kenosha report consumes 132 pages; the Austin citizens are informed about their city government in 82 pages; while Staunton holds to 50 and Ft. Atkinson cuts off at 39 pages. There is no obvious reason why reports of this nature should vary so in size—certainly the size of the city is no criterion unless one reaches the absurd conclusion that the size of the city varies directly with civic interest and desire for public reporting. The length should be determined on the basis of the minimum length necessary to put over effectively the account of municipal activities. The effectiveness with which this can be done is more likely to vary inversely with the number of pages the citizen is compelled to peruse.

The Austin report is far too long and is weak on illustrative material. It does, however, record rather effectively some rather striking accomplishments: collected 93 per cent of taxes without any suits; reduced electric rates, saving consumers $55,000; and reduced infant mortality rate from 87 in 1930 to 69.7 in 1931.

The Ft. Atkinson report was six months late, contains too much solid text without tables or charts to break it up and no emphasis whatever is given to important facts. In the only chart one learns from a glance that the tax dollar is divided four ways: schools, 40 cents; city, 30 cents; county, 27 cents; and state, 3 cents.

The Kenosha report easily is twice the length necessary to tell the story adequately; was six months in appearing but nevertheless is a good example of reporting. It is complete in that it includes the public schools, vocational schools, and library. In comparison with Ft. Atkinson, its sister city, its tax dollar was divided so the schools got 51 cents; city, 28 cents; county, 16 cents; library, 3 cents; and state, 2 cents.

The Staunton report comes near being a model report. To begin with, the finished report was in the hands of the citizens in less than four weeks after the close of the period covered; it is well illustrated—nearly every page carries either a chart or a picture; the crime report follows the recommendations of the Committee on Uniform Crime Reports; and perhaps of most importance it represents the first serious attempt at putting into actual practice the report of the National Committee on Municipal Reporting which was published in 1931. The Staunton report easily ranks as one of the best of the year.

Clarence E. Ridley.

The University of Chicago

NOTES AND EVENTS

Separate County Project for Los Angeles City Is Opposed.—For some months there has been a definite movement to separate Los Angeles City from the remainder of the county, and to form a separate county within the present metropolitan limits.

On September 19, the city council took definite action on the new county plan. A special ordinance was adopted petitioning the county board of supervisors to submit a proposition to both city and county voters, asking them to approve the city's request to secede from the present county. The council urged that the proposal for division be placed on the general election ballot in November.

J. H. O'Connor, assistant county counsel, ruled that the action of the city council to place the proposition on the November ballot was illegal because the only power to call such an election was vested in the state legislature and not in the city or county government.

The county Bureau of Efficiency upon instructions of the board of supervisors made a survey of the project. Its report pronounced the new county plan unfeasible and financially hazardous.

Instead of saving the city taxpayers $8,500,000 annually in the cost of maintaining courts, welfare agencies, hospitals, etc., now established for the county as a whole, as claimed by the Los Angeles city officials, the report declared that the Los Angeles taxpayers would be forced "to measurably increase the expenditure for which they are already liable."

The county now controls $47,000,000 in public properties. Of this amount $32,000,000 is within the city limits. Even if the city were given credit for half the amount, it would still have to pay the rest of the county approximately $10,000,000. Numerous legal problems would arise, and the city would be involved in endless disputes with neighboring governmental units.

The separation movement has met with considerable opposition outside of Los Angeles City. It would be disastrous to the remaining portions of Los Angeles County. More than thirty separate parcels of land in the western part of the county would be left isolated.

The ruling of the county counsel and the report of the Bureau of Efficiency, together with the general opposition throughout the county, prevented the proposition from being placed on the general election ballot November 8. **Frances N. Ah**

*

Manager Charter Defeated in Mendocino County.—On November 8th, the electors of Mendocino County failed to approve a proposed charter which had most of the characteristics of a manager plan. Members of the staff of the Bureau of Public Administration at the University of California had personally acted in a consulting capacity for the board of freeholders.

The fact that the charter took from the five supervisors the control of their individual road districts and provided for the consolidation of several county offices caused the present office-holders to oppose vigorously the adoption of the charter. Those in favor of the reform worked actively in behalf of the charter, but were not sufficiently financed to carry on a strong campaign throughout the rather sparsely settled agricultural and timber region.

It is believed, however, that the educational work will result in a recognition of the present defects in the government of the county and that various groups who are interested in the county-manager system will consolidate their forces for another attempt when conditions seem propitious. **Samuel C. M**

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